

AR37

Inco

Annual Report 1982

Ore Resources: Cornerstone of Recovery



Corporate Profile

50 Years Ago ... Today and Tomorrow

Inco Annual Report, 1932

The futility of attempting to forecast business conditions has become more and more apparent as the years of trade stagnation continue. Business is now marking time at its lowest ebb in generations. However, your Company's market is world-wide and well diversified; its mines and plants are highly efficient and metal inventories are not excessive. World industry has passed through severe storms in the past and your Company . . . should be considered well equipped to weather this particular storm.

*By Order of the Board of Directors
Robert C. Stanley, President*

The basic strength in metals that served Inco through the Depression of the 1930s and in weathering the recession of the 1980s is founded on the Company's Canadian nickel ores (depicted on the cover). After 50

intervening years of production, Inco today has proven and probable ore reserves in Canada of 491 million short tons containing of 7.3 million tons of nickel, 4.5 million tons of copper and significant amounts of cobalt, gold, silver and platinum as well as other metals. A pioneer and world leader in nickel and nickel alloys since the turn of the century, Inco markets many different forms of primary nickel worldwide. The largest consumer of its primary nickel is Inco Alloy Products Company, an international group of companies producing high-nickel rolling mill, forged and machined products essential to the energy, chemical, aerospace and other major industries. Inco also has a variety of other interests in the metals field, in energy, genetic engineering and high technology. At year end the Company employed 25,798 in 21 countries and had total assets, excluding ore reserves, of \$3.4 billion.

Contents	
1982 At a Glance	4
Report on Operations	5
Financial Folio	15
Investor Information	36
Corporate Directory	38

Annual Meeting
The Company's Annual Meeting will be held in Toronto on April 20, 1983.

Rapport Annuel
La version française du Rapport Annuel sera fournie sur demande.

Results in Brief

Inco Limited and Subsidiaries

(in thousands, except per share amounts)

	1982	1981
Net sales – continuing operations	\$1,235,983	\$1,885,923
Earnings (loss) from continuing operations before income and mining taxes	\$ (310,841)	\$ 101,629
Net earnings (loss), after taxes:		
Earnings (loss) from continuing operations	\$ (204,213)	\$ 20,467
Loss from operations of discontinued business segments	—	(25,347)
Extraordinary charges:		
Provision for loss on disposition of discontinued business segments	—	(245,000)
Loss on revaluation of investment in Exmibal	—	(219,638)
Net loss	\$ (204,213)	\$ (469,518)
Net loss per common share	\$(2.82)	\$(6.51)
Common dividends paid	\$ 16,099	\$ 45,000
Dividends per common share	\$ 0.20	\$ 0.59
Capital expenditures – continuing operations	\$ 95,290	\$ 152,247

Dollar amounts in this Report are expressed in United States currency, unless otherwise stated.

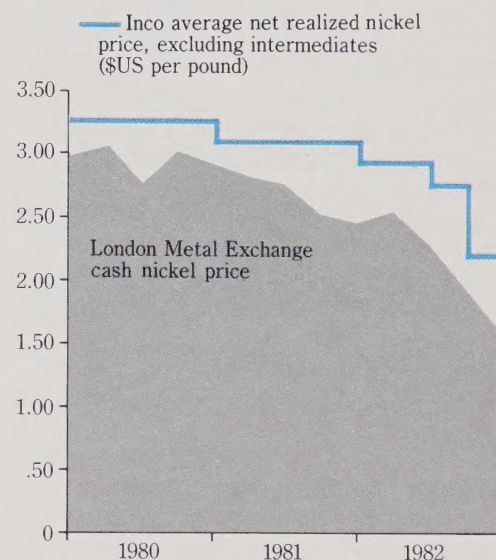
Message to Shareholders

The past year was one of the worst on record for the mining and metals industries. Demand and prices for nonferrous metals, including nickel and copper, declined sharply as the worldwide recession continued unabated.

Nickel demand fell for the third consecutive year, an unprecedented development, to a 1982 level nearly 30 per cent below its 1979 peak. Nickel prices were fairly strong through the first few months of 1982, then fell precipitously in the second half of the year. By November the cash nickel price on the London Metal Exchange (LME), a world market indicator, was down to \$1.44 per pound, or about the same level as the Company's average realized nickel price in 1973. At the same time, unit production costs continued to rise, reflecting higher costs for labour, energy and other expenses, as well as reduced levels of production.

Both of your Company's major operating segments – primary metals and alloy products – were severely affected by the depressed markets for their products.

Inco incurred a net loss of \$204.2 million, or \$2.82 per common share. Net sales fell 34 per cent to \$1.2 billion, reflecting both reduced volume and lower prices. While the Company lost \$74 million in the first half of



1982, the loss for the second half widened to \$130 million as market conditions worsened.

Inco has now incurred losses for six consecutive quarters. As we enter 1983, our markets remain extremely depressed. Nickel prices must recover dramatically before the Company can return to profitability.

Financial Position

As stated in last year's Annual Report, our number one objective for 1982 was to achieve significant progress towards restoring the Company's financial strength. This is



Chairman Charles F. Baird (right) and President Donald J. Phillips

paramount to Inco's long-term success.

We were able to reduce Inco's debt during 1982 despite the Company's large net loss. The Company's debt-to-equity ratio did not worsen.

Improvement in this and other financial ratios remains a priority.

Since late 1981, a specific objective has been to arrest the Company's cash outflows and reduce inventories.

As market conditions deteriorated during 1982, we intensified these efforts through production shut-downs, employment reductions and other actions. While all of these actions conserved cash, some penalized earnings; the net loss for the year included approximately \$180 million of one-time expenses associated primarily with production shut-downs and employee severance costs. These measures were essential to improve our financial position in 1982, and a number of them will yield continuing cost savings in the future.

All told, a favorable pre-tax cash effect of nearly \$1 billion was achieved during 1981-82. Major components included:

- Production curtailments and extended shutdowns at all primary metals locations to reduce nickel inventories – more than \$300 million of cash savings even after taking into account the revenues lost due to reduced availability of copper, precious metals and cobalt. Production cutbacks included a 9½-month shutdown of Ontario Division facilities which is scheduled to end in early April, a three-month shutdown of Manitoba Division facilities and an eight-month shutdown of the nickel refining section at Clydach, Wales, as well as employment reductions and sharply decreased production levels at P.T. Inco Indonesia.

- Inventory and accounts receivable reductions at Inco Alloy Products

Company – about \$200 million. While part of these reductions was attributable to depressed market conditions, more than half was the direct result of management initiatives. Production schedules were reduced and employment levels cut back at all alloy products facilities.

- Cash proceeds from the sale of Inco ElectroEnergy businesses – about \$130 million in 1981-82 (and an additional \$90 million anticipated in 1983). In addition, in certain cases the Company has received notes and minority ownership positions from the sale of these businesses. Divestiture of these businesses was a major objective as we entered 1982. The divestiture was substantially completed in January 1983 despite the weak economic environment which made selling any business difficult.

- Two successful public offerings of additional Inco common stock, one issue with warrants – about \$125 million net proceeds to the Company in 1982.

- Reductions in planned capital expenditures – about \$85 million in 1982.

- Reductions in selling, general and administrative expenses, and in research and development and exploration activities – about \$50 million.

- Reduction of the common share quarterly dividend from 18 cents to 5 cents per Common Share beginning in the fourth quarter of 1981 – approximately \$35 million after taking into account participation in the Company's optional stock dividend program.

Employment

Over the past two years personnel levels were reduced by 8,177, including 5,880 in 1982. Reductions were made at all Inco locations worldwide.

At year-end 1982, employment in Inco's continuing businesses was 24 per cent below year-end 1980 levels, resulting in an estimated ongoing cost saving of about \$210 million annually. With these cut-backs, Inco is more appropriately sized for the immediate future.

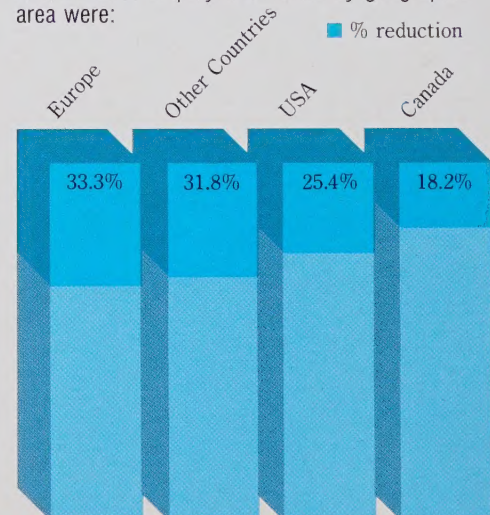
Productivity Improvements

Inco has always been one of the lowest-cost nickel producers, but it is imperative that we continue to reduce costs to maintain this position. We are therefore seeking significant productivity improvements at all our operations.

In primary metals, the standby Copper Cliff North Mine will be reactivated as a commercial-scale mines research facility with some 120 employees. New mining methods and equipment will be developed there which, when applied to other mines, will make them more productive and cost competitive. As part of this effort, we will be expanding the application of safer, more productive bulk mining methods wherever practical. In recent years about one-third of our total underground mining has been by bulk methods, but we expect to increase this ratio to more than one-

Two-Year Reductions in Employment*

Between December 1980 and December 1982 reductions in employment levels by geographic area were:



*Excluding Discontinued Businesses

half in 1983 as our mines are reopened.

At the Company's primary metals laboratory in Mississauga and research stations at Port Colborne, Ontario, process research continues to focus on reducing unit costs of production.

During the year we redirected our research centres at Sterling Forest, New York, and Birmingham, England, to the development of new proprietary nickel alloys and improved processes in support of Inco Alloy Products Company.

In addition, as business conditions improve we are committed to maintain – and thus derive continued cash savings from – reduced inventory investments in both primary metals and alloy products.

Environmental Control

Inco has made significant progress over the past 20 years in reducing environmental emissions. The Company's environmental programs are discussed at some length on page 8.

We remain committed to further reductions of sulphur dioxide emissions, especially at our major production smelter in Sudbury. We are

continuing our engineering studies related to the installation of appropriate technologies, with emphasis on minimizing the potentially onerous capital requirements. A recent report on environmental control by an Ontario/Canada Task Force acknowledged that "it may be several years before [Inco] is able to finance a major emission abatement program by internal cash flow, new equity issues, increased debt or by a combination of these methods."

Outlook for Recovery

The most important factors in Inco's recovery will be increased demand and, more significantly, higher prices for nickel, which will be dictated by the timing and strength of economic improvement in the industrialized nations. The success of our continuing efforts to reduce costs will be another key factor.

A modest economic recovery is anticipated in 1983. However, Inco enters the year at a very low business ebb as a consequence of reduced nickel demand and sharply lower prices in the second half of 1982. The Company's results are likely to remain depressed in the first half of 1983, but should improve signifi-

cantly in the second half assuming better economic conditions.

The past two years have imposed great hardship on many Inco people. We wish to thank all our employees and shareholders for their continuing loyalty and dedication through these difficult times.

Our basic long-term objective remains the achievement of profitable, sustainable growth in businesses involving technology broadly compatible with our skills. We still believe that, over a period of time, primary metals and alloy products will be good businesses for Inco.

When market conditions improve, your Company will be well served by its underlying strength as the world leader in nickel and nickel-alloy products.

Charles F. Baird

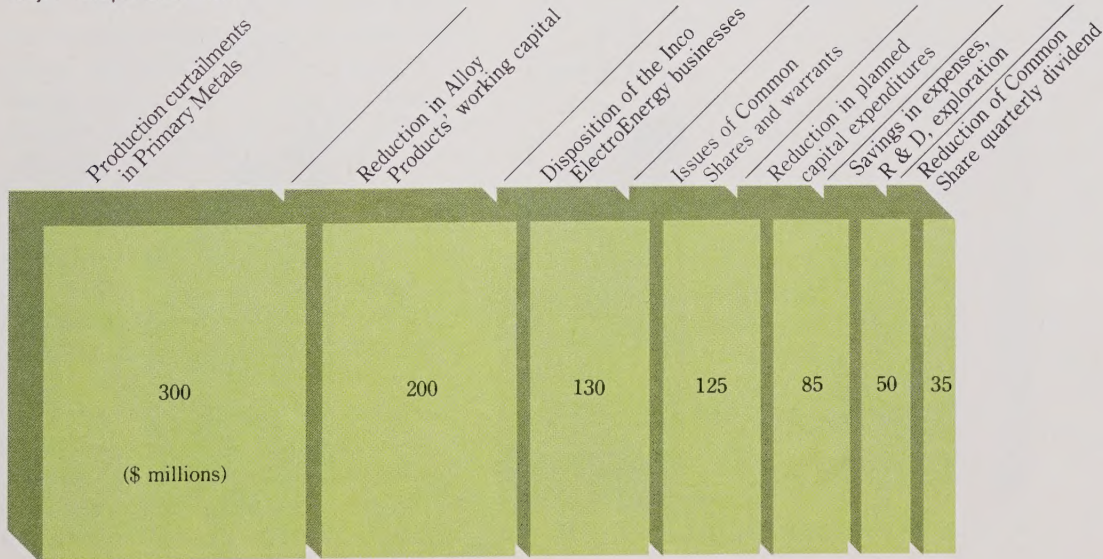
Chairman and Chief Executive Officer

Donald J. Phillips

President and Chief Operating Officer

February 17, 1983

Actions taken in 1981 and 1982 produced a favorable pre-tax cash effect of about \$1 billion. Major components were:



1982 At a Glance

Primary Metals

(\$ millions)	1982	1981
Net sales to customers	\$ 785	\$1,270
Operating earnings (loss)	\$ (130)	\$ 281
Total assets	\$2,527	\$2,797

Alloy Products

(\$ millions)	1982	1981
Net sales to customers	\$ 437	\$ 600
Operating earnings (loss)	\$ (17)	\$ 22
Total assets	\$ 540	\$ 650

Primary Metals

• The 1982 operating loss reflected severely depressed conditions in metals markets and \$169 million of one-time costs associated with production shutdowns, employment reductions and a one-month strike by hourly employees at the Ontario Division. Cash flow was positive.

• Non-communist world nickel demand fell for the third consecutive year, to an estimated 975 million pounds in 1982 from 1,100 million pounds a year earlier.

• Inco's average realized price for primary nickel, excluding inter-

mediates, was \$2.71 per pound compared with \$3.10 per pound in 1981.

• The Company's nickel deliveries totalled 251 million pounds, down 27 per cent from 1981.

• A significant reduction in finished nickel inventories was achieved.

• The Company's average realized copper price declined to 71 cents per pound from 82 cents per pound in 1981. Average realized prices also decreased for all other metals.

• Major productivity improvements are planned. This effort includes an expanded mining research program, an accelerated changeover to lower-cost mining methods at a number of facilities and other productivity improvements at both mining and surface locations.

Alloy Products

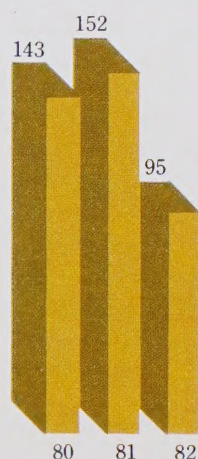
• Inco Alloy Products Company (IAPC) suffered an operating loss due to the very weak market for its products. The loss was accentuated by the adverse effect of currency translations on results of its U.K. subsidiaries.

• Despite this loss, IAPC generated a substantial positive cash flow for the third consecutive year.

• The company continued to be successful in reducing expenditures through the improved management of inventories and accounts receivable. Working capital requirements were lowered by about \$90 million, reflecting both depressed markets and management initiatives.

• IAPC research spending has been doubled since mid-1982 and is being focused on product and process improvements and the development of new technology and products.

Capital Expenditures*
(\$ millions)



*Continuing operations

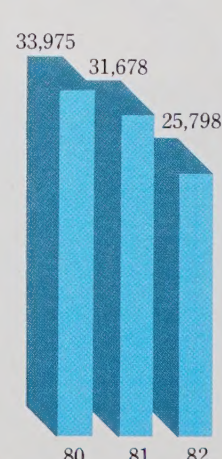
Nickel Production
(lbs millions)



Nickel Inventories
(lbs millions)



Employees*



*Continuing operations



Report on Operations

Primary Metals

Metals markets were depressed throughout the year, with the prices of some metals falling below the cost to produce them. Faced with these unprecedented business conditions, Inco's primary metals operations placed a high priority on cash conservation and productivity improvements. Although 1982 financial results were severely affected by depressed markets, Inco is well positioned to benefit when nickel demand and prices improve.

Operating results in primary metals are presented in the table on page 6.

The 1982 operating loss reflected lower sales and reduced prices for all metals, coupled with \$169 million of one-time costs associated with production shutdowns and cutbacks, employment reductions and a one-month strike by hourly employees at the Ontario Division.

Changing Nickel Market

The nature of the nickel market has changed significantly in recent years.

New production capacity has come on stream in a number of countries at a time when nickel demand has fallen and excess industry capacity already exists. Nickel demand declined for the third consecutive year in 1982, a cumulative reduction of almost 30 per cent, and is now at a level first experienced in 1970.

This problem has been exacerbated by increased nickel deliveries to the non-communist world by communist-bloc nations and the liquidation of inventories at distressed prices by certain producers.

At the same time, nickel has come to be viewed by many industrial consumers—particularly in the steel industry—as a commodity bought mainly on the basis of price. Inco has

adjusted its marketing policies accordingly. The Company continues to produce a number of proprietary forms of nickel commanding higher prices—for such applications as plating, superalloys and battery powders.

Reflecting these changing market conditions as well as the impact of the prolonged worldwide economic recession, nickel prices were under extreme pressure through much of 1982.

Inco's net average realized price for primary nickel, excluding intermediates, was \$2.71 per pound in 1982 compared with \$3.10 per pound in 1981. The average price had declined to \$2.17 in the fourth quarter of 1982.

Market Share

During the first seven months of 1982, Inco's nickel market share declined, reflecting management's decision early in the year not to participate in severe price discounting in view of pending labour negotiations in the Ontario Division and an expected upturn in demand, which created uncertainty about future nickel availability.

Following the conclusion of a new labour agreement, Inco adopted a more competitive pricing posture and, in the second half of the year, regained part of the market share lost in the first half.

Inventories

Despite reduced demand, producer inventories of finished nickel decreased modestly to an estimated 450 million pounds at year end because of production cutbacks throughout the industry. Consumer inventories also declined and ended the year at relatively low levels.

Inco's inventories stood at 106 million pounds at year end, down substantially from 144 million pounds at the end of 1981.

Other Metals

The Company's average realized

Principal properties, plants, laboratories and products

Operating mines

Sudbury, Ontario – Copper Cliff South, Creighton, Frood, Garson, Levack, Little Stobie, McCreedy West, Stobie.
Shebandowan, Ontario – Shebandowan.
Thompson, Manitoba – Thompson, Pipe Open Pit.
Soroako, Indonesia.

Mines on standby

Sudbury, Ontario – Clarabelle, Coleman, Copper Cliff North, Crean Hill, Murray, Totten.
Thompson, Manitoba – Birchtree, Soab, Pipe #1.

Concentrators

Sudbury, Ontario – Clarabelle, Copper Cliff, Frood-Stobie.
Shebandowan, Ontario
Thompson, Manitoba

Smelters

Sudbury, Ontario
Thompson, Manitoba
Soroako, Indonesia

Iron ore recovery plant

Sudbury, Ontario – Nickel oxide, sulphuric acid

Matte refining

Sudbury, Ontario – Nickel oxide sinter, INCOMET* nickel

Refineries

Sudbury, Ontario – Nickel pellets and powders, electrolytic copper and copper wire bar, gold, silver, selenium, tellurium, semi-refined platinum-group metals, nickel sulphide.
Port Colborne, Ontario – S and R-ROUNDS*, electrolytic nickel, utility nickel shot and pig, foundry additives, semi-refined platinum-group metals, cobalt oxide.
Thompson, Manitoba – Electrolytic nickel, cobalt oxide.
Clydach, Wales – Nickel pellets and powders, nickel salts, cobalt oxides.
Acton (London), England – Gold, platinum, palladium, rhodium, ruthenium, iridium.

Research laboratories and pilot plants

Sheridan Park (Mississauga), Sudbury and Port Colborne, Ontario
Clydach, Wales

*Trademark of the Inco family of companies

price for copper declined to 71 cents per pound from 82 cents per pound in 1981. At year end, world prices for refined copper were approximately 50 per cent below their 1980 peak, and below cash operating costs of most producers.

Average realized cobalt prices fell to \$9.98 per pound from \$16.40 per pound in 1981. Major price deterioration occurred in the second half of the year when the price of cobalt metal dropped to less than \$5.00 per pound. Principal reasons for these decreases were lower demand and excess inventories held by the major producers.

Revenues from precious metals (platinum-group metals, gold and silver) also declined due to reduced deliveries and lower prices.

Production and Cash Conservation Actions

To control inventories and conserve cash, Inco reduced production at all locations in 1982. Total nickel and copper production was as follows:

(millions of pounds)	1982	1981	1980
Nickel	201	330	394
Copper	135	244	291

Ontario Division facilities were shut down in July. The Port Colborne

nickel refinery was reopened February 7, 1983, and remaining Ontario facilities are scheduled to reopen in early April. Manitoba Division operations were shut down November 1; production was

(\$ millions)	1982	1981	1980
Sales by product			
Primary nickel	\$ 552	\$ 891	\$ 917
Refined copper	117	194	286
Precious metals	68	103	157
Cobalt	24	58	39
Other products	24	24	12
Net sales to customers	\$ 785	\$1,270	\$1,411
Operating earnings (loss)	\$ (130)	\$ 281	\$ 569
Total assets	\$2,527	\$2,797	\$3,020†
Deliveries (in thousands)			
Primary nickel and intermediates	216,400	297,710	291,910
Nickel contained in alloy products	34,430	44,110	53,530
Total nickel (pounds)	250,830	341,820	345,440
Copper* (pounds)	167,420	239,830	288,280
Platinum-group metals** and gold (troy ounces)	310	317	349
Silver (troy ounces)	1,050	1,510	1,490
Cobalt* (pounds)	2,530	3,620	1,950
Iron ore (long tons)	66	156	64

†Includes \$236 million of Exmibal assets; such assets were written down in 1981.

*Includes metals contained in alloy products.

**Platinum, palladium, rhodium, ruthenium and iridium.

resumed in late January 1983 with four-day work weeks. Production at P.T. Inco Indonesia was maintained at a reduced level consistent with Japanese market demand for nickel matte. The Clydach, Wales, nickel refining section was shut down in May and reopened in January 1983. Mothballing of the Company's Guatemalan nickel plant was completed in 1982.

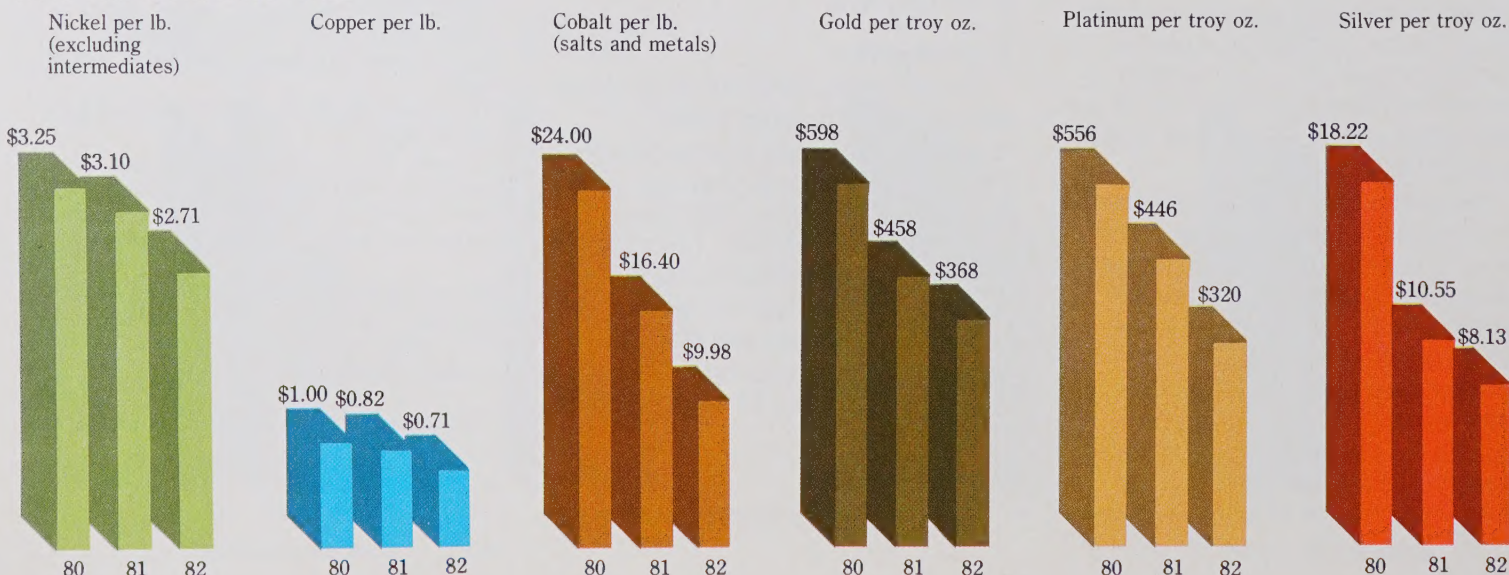
Capital expenditures were cut back at all operating locations to conserve cash. Most importantly, completion of the Thompson Open Pit mine was deferred to 1986; postponement is feasible because the Company's current production capability is adequate to meet reduced near-term demand.

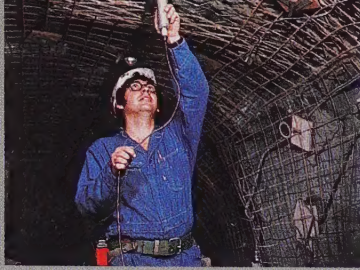
Productivity Improvements

Inco's major strategic objective in primary metals is to increase its competitiveness through productivity gains at all its locations. During 1982, the Company took the following actions in support of that strategy:

- Increased its mining research, which is directed toward higher productivity, cost reduction and improved safety. The Copper Cliff North Mine in Ontario is being reactivated for production as a full-scale mining research location.

Three-Year Net Realized Prices





Increasing Productivity

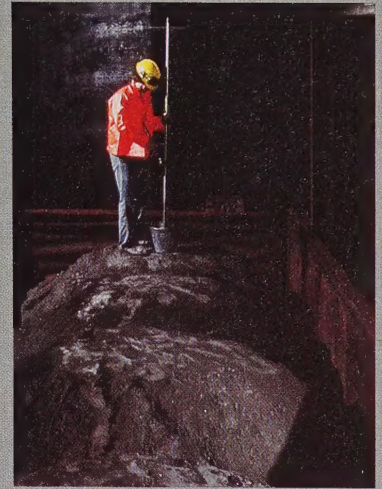
Even prior to the shutdowns of its major Canadian operations in 1982, management had accelerated its ongoing productivity improvement programs. To further Inco's leadership as a low-cost nickel producer in response to increasing competition, future mining is tied to the increased use of bulk mining techniques coupled with technological improvements. Processing facilities are also focusing on productivity improvements, plus increased metals recovery and energy conservation.

Micro-seismic innovation (above) reads stress fields underground

De-aerator at Thompson (below) upgrades smelter heat efficiency



New Inco-developed drill (above) is a key to productivity improvement in the bulk mining of its Canadian nickel ores



This high-grade nickel concentrate can be refined without smelting



Computerized monitors contribute to major ongoing energy savings

Remote-controlled load-haul-dump vehicles make bulk ore recovery safer and more productive



- Accelerated the changeover from the undercut-and-fill method of mining to lower cost vertical retreat mining at several mines in Ontario and Manitoba.

- Closed the leaching section of the Sudbury iron ore recovery plant. Production of chemical grade nickel oxide from pyrrhotite, which is no longer economical, has been replaced by a process utilizing nickel powder as feed.

- Discontinued production of cobalt salts. A \$24 million refinery for the production of lower cost electrolytic cobalt metal is scheduled for commissioning in 1983 at Port Colborne.

- Converted the Acton, England, refinery to a more cost-efficient process for the separation of gold, platinum and palladium.

Environmental Control

From peak levels in the early 1960s, Inco has reduced sulphur dioxide (SO₂) emissions from its Sudbury, Ontario, operations by about two-thirds. When Sudbury operations are resumed in April, the Company will have in place new technology, at a cost of \$12 million, to reduce emissions still further in order to meet the latest Ontario Government emission limit of 1,950 tons per day, which became effective January 1, 1983.

The Company continues to investigate ways to achieve further emission reductions at Sudbury. During 1982, Inco completed a commercial-scale test of a new Company-developed smelting process at the Thompson, Manitoba, smelter. This test, which cost \$20 million, has demonstrated that the new smelting process holds promise for reducing SO₂ emissions at the Sudbury smelter to about half the current regulatory limit of 1,950 tons per day. Concurrently, an engineering study to evaluate the applicability of this process to the Sudbury operation is nearing completion. The Company

is conducting further investigations to determine the feasibility of using, in part, existing facilities to reduce the potentially onerous capital costs involved in implementing such a process.

Occupational Safety and Health

Safety in the workplace is a top priority of Inco management. The increase in reported lost-time accidents at the Ontario Division in 1982 reflected an abnormal increase during May, the month before the strike by hourly employees. The dotted line on the adjacent chart illustrates the Division's safety record when May is excluded.

The past year was marred by one fatality in the Manitoba Division.

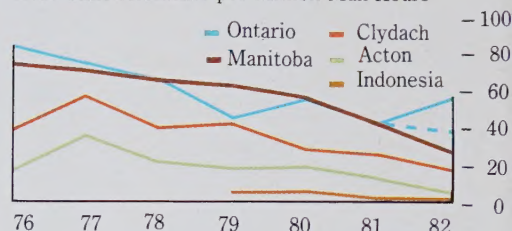
Research and Development

Research and development expenditures for primary metals were reduced to \$20 million in 1982 from \$23 million a year earlier. Efforts continued to be focused on improving productivity and safety, improving workplace conditions and increasing metals recoveries. A 5 per cent increase in platinum recovery was attained at the Ontario Division prior to the shutdown in July by applying new research findings.

Pilot plant investigations of continuous converting of copper flash

Safety

Lost Time Accidents per Million Man Hours



furnace matte are showing considerable promise as a technology that could increase productivity and improve the workplace environment in the copper section of the Sudbury smelter.

An Inco process for destroying cyanide in effluents has been licensed for use by a British Columbia gold producer. Other gold mining companies are examining its applicability to their needs.

Exploration and New Mineral Ventures

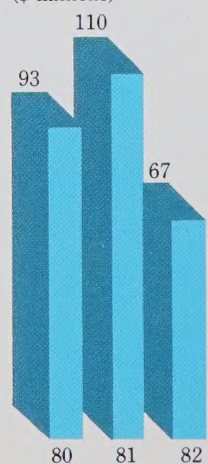
Exploration expenditures were reduced to \$13 million from \$25 million in 1981. Of the 1982 total, \$11 million was applied to field exploration, primarily in Canada, the United States and Brazil, and the balance to exploration at existing mines.

Discovery of gold deposits is Inco's primary exploration objective to help diversify the Company's metals operations. Early in 1983, the Company

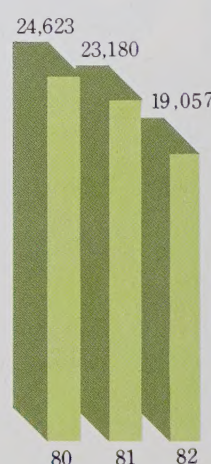
Manshifts Worked (thousands)



Capital Expenditures (\$ millions)



Employees



reached agreement in principle with Queenston Gold Mines to develop an open pit mine near Kirkland Lake, Ontario. Plans call for the rehabilitation of a mill to process up to 500 tons of ore per day, with an average grade of about 0.15 ounces of gold per ton. Inco has earned a 65 per cent interest in this project.

Elsewhere in Ontario, studies are continuing on the feasibility of opening a small gold mine on the Musselwhite Syndicate claims (23 per cent Inco owned) north of Pickle Lake. In Brazil, a detailed surface drilling program is being completed at the Crixas gold mining property (100 per cent Inco owned). In the United States, active gold exploration programs are being conducted in Oregon and Arizona.

A new chromite mining and upgrading operation, opened during 1982 at Tiebaghi, New Caledonia, will yield some 84,000 metric tons of ore annually at full capacity. Inco holds a 55 per cent interest in the project.

INCO TECH

Inco technical services are marketed worldwide through INCO TECH*. During 1982, the Company licensed technology for use in a new Taiwanese nickel reduction plant in return for a minority interest in the

facility. This investment is expected to help increase sales of Inco's Canadian nickel in the growing Taiwanese market.

Agreement was reached in early 1983 to license Inco's oxygen flash smelting technology for use at a copper smelter being constructed in New Mexico. This marks the second major copper facility to adopt the Inco process.

Labour Agreements

Hourly employees in Port Colborne and in the Sudbury District went on strike June 1. The strike was settled on July 2 with the signing of three-year agreements terminating May 31, 1985. The July 22, 1982 termination date of the Shebandowan agreement was extended for a period up to one year and discussions are to be held for a renewal agreement during that period.

The Manitoba Division labour agreement remains in effect until September 15, 1984.

In the United Kingdom, one-year collective agreements expire in February 1983 for production and maintenance employees at Clydach. Existing agreements with Clydach staff employees and Acton production employees were extended beyond their respective expiration dates of September and October, 1982.

Further discussions are scheduled with each group for April 1983.

In Indonesia, a two-year bargaining agreement, expiring December 15, 1984, was negotiated.

Ore Reserves

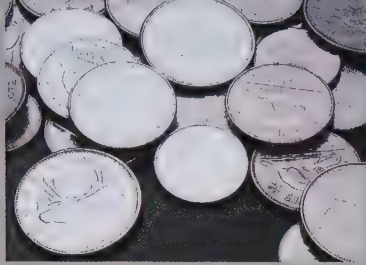
At year end, Inco had proven and probable ore reserves in Canada of 491 million short tons, containing 7.3 million tons of nickel and 4.5 million tons of copper. This compares with year-earlier proven and probable reserves of 502 million tons, containing 7.7 million tons of nickel and 4.6 million tons of copper. Only material that is economically viable and has been sampled in sufficient detail to permit a reliable calculation is included in reserves. Significant quantities of platinum-group metals, gold, silver and cobalt are also contained in the Canadian ore reserves.

At the end of 1982, at the Company's Indonesian nickel operations, detailed sampling of the large nickeliferous laterite resources had been extended to increase the proven and probable ore reserves to 66 million short tons containing 1.2 million tons of nickel from 42 million tons containing 0.8 million tons of nickel at the end of 1981.

*Trademark of the Inco family of companies.



Looking to the future. From left: New chromite mining facility in New Caledonia shipped its first orders in 1982; new cobalt metal refinery is nearing completion; exploration focus is on Company's gold properties.

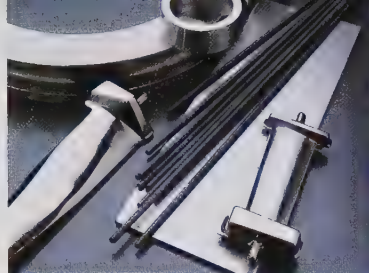


Nickel in the Marketplace

Nickel imparts essential qualities to a diverse range of products, including stainless and low-alloy steels, high-nickel and copper based alloys and electroplated materials. Inco's key end use markets today include aerospace, automotive, chemical and process plants, energy related industries, environmental control, capital goods and a wide range of consumer products. The recession affected these and all other areas of the Company's markets in 1982. Inco Alloy Products Company is the leader in high-nickel alloys and is the largest consumer of the Company's primary nickel.







Inco Alloy Products Company

Inco Alloy Products Company's operating loss in 1982 was due to the very weak market for its products and the adverse effect of currency translations on the results of its United Kingdom operations. The company generated a substantial positive cash flow for the third consecutive year. During the year, the company markedly increased the scope and size of its research and development programs.

Through Inco Alloy Products Company (IAPC), Inco is a leading producer of high-nickel rolling mill alloys as well as forged and machined components made from these and other alloys. While IAPC units are operated to generate a maximum return on investment, they are also a major route to market for Inco primary nickel.

IAPC holds a leading position in many of the markets it serves. Its products are used widely in the aerospace, chemical, petrochemical, marine, electronics, pollution control, power generation, and oil and gas industries. The company markets its products worldwide.

IAPC operating facilities are located in the United States, the United Kingdom and Canada. The company holds a 50 per cent interest in a joint venture, Daido Inco Alloys Ltd., for marketing alloys in Japan.

Strategy

The company's basic strategy is to emphasize the aggressive development of new proprietary alloys, products and processes as well as low-cost, efficient production.

1982 Operating Results

As in primary metals, operating results were adversely affected by poor economic conditions and very depressed markets.

(\$ millions)	1982	1981	1980
Net sales to customers	\$437	\$600	\$731
Operating earnings (loss)	\$ (17)	\$ 22	\$ 87
Total assets	\$540	\$650	\$780

IAPC suffered a \$17 million operating loss compared with a \$22 million operating profit in 1981. Net sales declined 27 per cent to \$437 million, primarily reflecting decreased unit volume but also reduction in prices.

At IAPC's principal U.S. division, Huntington Alloys, Inc., revenues were \$226 million, some 20 per cent below 1981. Operating profits were marginally lower than in 1981.

IAPC's U.K. operating unit, Inco Alloy Products Limited, incurred an operating loss in pounds sterling which, because of the accounting treatment of changes in currency exchange rates, was disproportionately larger when results were translated into U.S. dollars. Revenues were \$195 million, about 32 per cent below 1981. The revenue decrease was due almost equally to lower prices and lower volume. Results were affected, in particular, by severely depressed conditions in the European aerospace industry. Rolling mill facilities near Birmingham were successfully

commissioned, adding new production capabilities. Inco Alloy Products Limited was formed in April when two existing United Kingdom operations, Wiggin Alloys Limited and Daniel Doncaster & Sons Limited, were grouped together for greater efficiency.

Turbo Products International, Inc. in the U.S., Canadian Alloys Division and Daido Inco Alloys Ltd. of Japan all had sales declines. Nevertheless, Turbo and Daido remained profitable. Canadian Alloys Division received a contract from the Royal Canadian Mint to supply coinage material, assuring high production at this facility well into 1983.

During the year, IAPC continued to develop and market new alloys, including mechanically alloyed materials produced by powder metallurgy. Sales volume increased for these products.

Cost Reduction

Confronted with extremely difficult market conditions, IAPC cut costs and streamlined its operations. Employment levels were reduced by about 16 per cent over the course of the year, following a 13 per cent reduction in 1981. Reduced work weeks were introduced at several operating units.

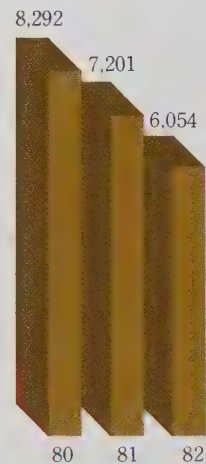
Capital Expenditures
(\$ millions)



Working Capital
(\$ millions)



Employees



IAPC continued to be successful in improving the management of inventories and accounts receivable. The company is now operating with lower inventory levels and higher inventory turnover ratios than seemed achievable just a few years ago. Management believes these favorable ratios can be largely maintained when sales increase.

The result of all these cost-cutting efforts was a significant reduction in the breakeven levels at the company's operating units.

Research and Development

Although Inco Limited reduced its overall research and development expenditures, the amount of research dollars being invested in support of IAPC has been doubled since mid-1982.

Inco's corporate research laboratories at Sterling Forest, New York, and Birmingham, England, were reasigned as research centres for IAPC. Programs at these two facilities are now focused on increasing IAPC's operating income through the development of new technology and products as well as product and process improvements.

Labour Agreements

In the United States, a three-year contract covering hourly employees at Huntington, West Virginia, remains in effect through mid-December 1983. A contract covering the Burnaugh, Kentucky, plant remains in effect through March 1984.

Annual contract negotiations were concluded with unionized employees at operating locations of Inco Alloy Products Limited in the United Kingdom.

Inco Alloy Products Company

John H. Page

President

Benjamin W. Durrant

Vice-President

Jay W. Schultz

Vice-President

William F. Bissett

*President, Huntington Alloys, Inc.
Huntington, West Virginia*

I. David Balchin

*Group Managing Director,
Inco Alloy Products Limited,
Birmingham, England*

Principal properties, plants, laboratories and products

Rolling mills

Huntington, West Virginia, and Burnaugh, Kentucky, U.S.A.; Hereford, Wednesbury, and Birmingham, England; Lively (Sudbury), Ontario. Products: Wrought nickel, high-nickel alloys, nickel and cupro-nickel coinage strip

Forging plants

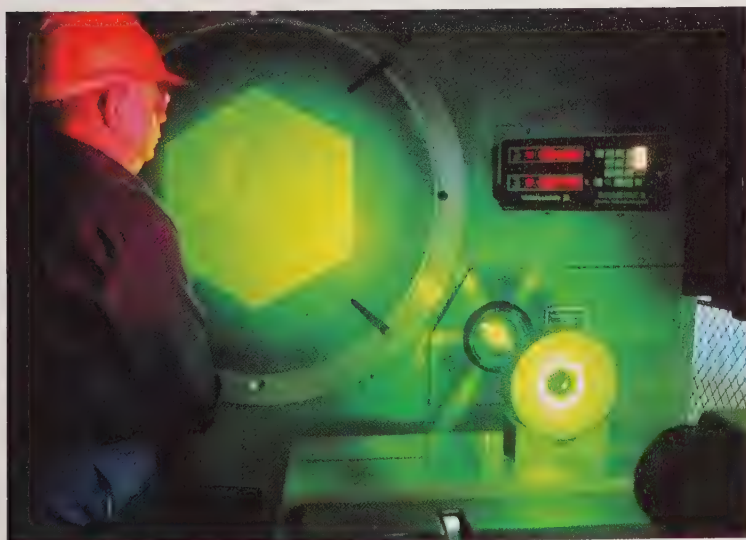
Sheffield, Hull, Dudley, Leeds and Oldham, England; Blaenavon, Wales. Products: Forged and machined products of nickel and high-nickel alloys; stainless, carbon and alloy steels; titanium.

Machining facility

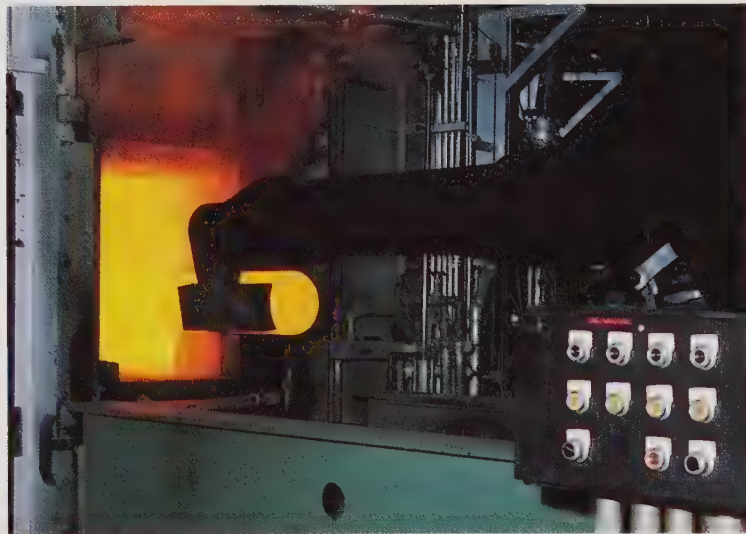
Ivoryton, Connecticut, U.S.A. Products: Machined blades and vanes for gas turbines.

Research laboratories

Huntington, West Virginia, Sterling Forest, New York, U.S.A.; Hereford and Birmingham, England.



New productivity measures include significant savings in materials and labour costs through use of this optical die checker at Huntington.



New billet delivery system at Burnaugh reduces heat loss and adds significant improvements in tubing quality and tool life.



Other Business

Reprocessing Facilities

Through its Inmetco and Pittsburgh Pacific Processing Company subsidiaries, Inco is involved in metals reclamation and recycling. Inmetco employs an Inco-developed process to reclaim steel-making wastes and transform them into nickel-chromium-iron alloy pigs for stainless steel production. Pittsburgh Pacific Processing is engaged in metals recycling through advanced briquetting and binder technology, and during 1982 put into operation a new facility to reclaim nickel from spent catalysts.

Both companies operated at losses in 1982 due to low nickel prices and reduced demand for their products by the U.S. stainless steel industry. Inmetco continued its development program to broaden the application of its process with a goal of licensing the process for the direct reduction of iron ores and pellets.

Oil and Gas

Since its formation three years ago, Inco Energy Resources has participated in 87 wells in Canada and the United States, including 18 successful oil wells and 36 successful gas wells. Interests in 27 currently producing wells were held by Inco Energy at the end of 1982.

Onshore, Inco Energy and a partner made a gas discovery at Strachan, Alberta, late in 1981 and consolidated their position in the area during 1982. Inco Energy now holds an average 35 per cent interest in some 94,000 acres of oil and gas rights. Elsewhere in Alberta, gas production began in 1982 from a small field (Inco Energy interest 47.5 per cent) near Edmonton. Inco Energy also operates a small oil field in Saskatchewan on which additional development is planned in 1983.

One of Inco Energy's most promising prospects covers 600,000 offshore acres east of Nova Scotia (Inco

Energy participation 18.8 per cent). Commercial quantities of gas have been discovered on adjoining acreage by other companies. Inco Energy and its partners plan to drill two exploration wells in 1983-85.

Total program expenditures were \$13 million in 1982 compared with \$15 million in 1981. Of the 1982 total, \$7 million was capitalized.

Venture Capital

Inco continued to invest in its highly successful venture capital program. The objective of this program is to participate in emerging technologies with the potential for excellent growth and high returns.

During 1982, venture capital investments costing \$0.6 million were sold for \$6.6 million. Including 1982 sales, investments with a combined cost of \$5 million have now been sold for \$21 million since the program was initiated seven years ago.

The book value of Inco's venture capital investments totalled \$22 million at the end of 1982. Based on valuation methods employed in the venture capital industry, these investments might be worth as much as \$90 million. Comparable figures were \$21 million and \$80 million, respectively, at the end of 1981.

Inco's portfolio contains investments in about 45 companies in Canada, the United States and Switzerland. Major areas of interest are genetic engineering, electronics, medical technology, communications and computer technologies. Biogen N.V. remained Inco's largest single venture capital investment at the end of 1982, at a cost of about \$9 million. Biogen is involved in recombinant DNA research and technology.

Inco continued to participate in the management of venture capital investments for Canadian institutions through the North American Ventures Fund, an Ontario limited partnership formed in 1981 by Inco and SB Capital Corporation Limited of Toronto.

Management's Statement on Financial Reporting

The information and representations in this Annual Report have been prepared by management. The consolidated financial statements have been prepared in conformity with generally accepted accounting principles in Canada and, where appropriate, reflect management's best estimates and judgments. The financial information presented throughout this Report is consistent with the data presented in the financial statements.

Systems of internal accounting control are maintained in order to assure on a reasonable basis the reliability of this financial information. These systems include formal policies and procedures, the careful selection and training of qualified personnel, and an organization providing for appropriate delegation of authority and segregation of responsibilities. These systems are monitored by our internal auditors who perform extensive tests and related procedures at major locations worldwide. Our independent auditors, whose report on their examination of the consolidated financial statements appears on

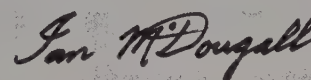
page 32, also review our systems of internal accounting control in accordance with generally accepted auditing standards for the purpose of expressing their opinion on the consolidated financial statements.

Financial management personnel, our internal auditors and our independent auditors meet with the Audit Committee of the Board of Directors at least four times a year to report on accounting, auditing, internal accounting control and financial reporting matters. The Audit Committee also has other duties which are described on page 38.

The consolidated financial statements in this Annual Report have been reviewed and approved by the Board of Directors.



*Chairman and
Chief Executive Officer*



*Executive Vice-President
(Chief Financial Officer)*

Economic and Market Trends	16
Management's Discussion and Analysis	16
Ten-Year Review	18
Financial Statements	21
Explanatory Financial Section	24
Auditors' Report	32
Quarterly Financial Information	32
Effect of Inflation on Selected Financial Data	33

Economic and Market Trends

Inco's financial results are influenced significantly by world economic conditions and trends in major end-markets for the Company's products.

During 1982, the world economic recovery predicted by many economists for the second half of the year never materialized. In fact, economic conditions deteriorated further, marking the third consecutive year of serious economic weakness. U.S. gross national product (GNP) declined 1.8 per cent for the year, the worst economic performance since 1946. Economic performance in other major industrial economies was not much better. West German GNP is estimated to have fallen 1.2 per cent, the second consecutive annual decline, while Japanese GNP is expected to increase only 3.1 per cent in fiscal 1982, well below the historic norm.

The efforts of many industrialized nations to quell inflation through high interest rates appear to have succeeded, but at the price of rising unemployment and drastic underutilization of industrial capacity. In the U.S., capacity utilization averaged less than 70 per cent for the year, the lowest ratio since record keeping began in 1948. Low utilization is a major deterrent to capital spending, which in turn cuts significantly into demand for Inco's products.

Management's Discussion and Analysis

Charts have been provided to assist the reader in reviewing the Company's results of operations and financial position.

As a result of the Company's decision to withdraw from the battery and related products businesses of Inco ElectroEnergy in 1981, those businesses, as well as three former units of Inco ElectroEnergy which were sold during 1981, have been treated as discontinued business segments. Accordingly, the Company's Statement of Earnings for 1980-1982 reflects revenues, costs, expenses and taxes for continuing operations only. The Company's 1981 and 1982 Balance Sheets reflect the investment in discontinued business segments at estimated net realizable values of \$205 million and \$140 million, respectively. The Balance Sheet for 1980 continues to reflect the assets and liabilities of Inco ElectroEnergy at historical amounts.

Results of Operations

Primary Metals The Company's nickel business is the primary determinant of its profitability. A strong demand for nickel, which had begun in 1979, continued through the first quarter of 1980, but weakened as recessionary conditions began to take hold first in the United States and then in Europe. Relatively encouraging market conditions in the first half of 1981 deteriorated quickly in the second half of that year. In 1982, market conditions sharply deteriorated as a result of the severe recession in the industrialized countries. Nickel demand is not expected to improve until an economic recovery supports increased business activity among nickel customers. The Company's nickel deliveries have

While worldwide economic activity declined only slightly in 1982, nickel demand and prices were affected to a much greater extent.

**Gross Domestic Product
OECD Countries**
(billions of U.S. dollars)



Source: OECD and Inco estimates

World Nickel Demand
(lbs millions)



Source: Inco estimates

**London Metal Exchange
Cash Nickel Price**
(average price per pound \$U.S.)



Primary Metals (\$ millions)	1982	1981	1980
Sales by product			
Primary nickel	\$ 552	\$ 891	\$ 917
Refined copper	117	194	286
Precious metals	68	103	157
Cobalt	24	58	39
Other products	24	24	12
Net sales to customers	\$ 785	\$1,270	\$1,411
Operating earnings (loss)	\$(130)	\$ 281	\$ 569
Deliveries (pounds in millions)			
Primary nickel and intermediates	216	298	292
Nickel contained in alloy products	35	44	53
Total nickel	251	342	345
Copper	167	240	288

declined sharply since early 1980 and, primarily as a result of intense price competition, its share of the world nickel market declined in 1982. The Company's average net price realized for its primary nickel products, including intermediates, was \$3.14 a pound in 1980, \$2.99 a pound in 1981 and \$2.55 a pound in 1982; the prices per pound by quarters for 1982 were: first quarter - \$2.76, second quarter - \$2.79, third quarter - \$2.56, fourth quarter - \$2.04.

The availability of copper was reduced in 1981 by production cutbacks at the Ontario Division and in 1982 by a one-month strike plus an extended shutdown at the Ontario Division. The Company's average realized price per pound of copper was \$1.00 in 1980, 82 cents in 1981 and 71 cents in 1982.

Following sharp price increases in 1980, prices for all precious metals fell during both 1981 and 1982. Cobalt deliveries of 3.6 million pounds in 1981 (1.9 million in 1980) dropped to 2.5 million pounds in 1982 due to the Ontario Division shutdown. The Company's average realized price per pound of cobalt was \$24.00 in 1980, \$16.40 in 1981 and \$9.98 in 1982. A refinery at Port Colborne, Ontario, for the production of electrolytic cobalt metal is scheduled for commissioning in 1983.

Over the 1981-1982 period, the Company's unit production costs for primary metals increased sharply due to lower production levels and escalating costs of labour, supplies and energy.

In response to depressed metal market conditions, the Company took a number of actions in 1981 and 1982 to reduce production. Production at the Ontario Division was reduced through vacation shutdowns in 1981. In early 1982, the Guatemalan nickel plant, which had been on standby since October 1980, was mothballed. Production at the Company's Indonesian operations was reduced, starting in February 1982, by switching from a two-furnace to a one-furnace level of operations. Effective in May 1982, and continuing until January 1983, nickel pellet and powder production was shut down at the Company's refinery in Clydach, Wales. The Company's Ontario Division operations were shut down by a strike for

the month of June 1982 and were not reopened during 1982 due mainly to the lack of nickel demand. However, certain units of the Division have operated for various periods to meet demand for specific products. The Port Colborne, Ontario, nickel refinery resumed partial operations in early February 1983. The Sudbury and Shebandowan operations are scheduled to reopen in April 1983. The Manitoba Division operations, which were closed down by a three-month strike which ended mid-December 1981 and which had been shut down since November 1, 1982, resumed production on a four-day work week schedule at the end of January 1983. A four-week vacation shutdown is scheduled for July 1983 at both the Ontario and Manitoba Divisions.

Since the beginning of 1981, employment levels at primary metals operations have been reduced by over 22 per cent. This has been accomplished through attrition, special voluntary retirement incentive programs and layoffs.

Many of the actions taken during 1982, such as production shutdowns, penalized earnings but were successful in arresting cash outflows experienced early in the year. Costs in 1982 associated with the strike in Ontario and shutdowns and cutbacks at all primary metals locations totalled \$169 million.

Operating results reflected operating losses from the Indonesian and Guatemalan nickel operations of \$9 million in 1980, \$37 million in 1981 and \$42 million in 1982. While the increase in the loss from 1980 to 1981 reflected slightly lower selling prices, it also reflected almost \$20 million of shutdown expenses for the Guatemalan operations in 1981. The increased loss in 1982 over 1981 reflects lower selling prices and higher unit costs.

Alloy Products Sales in 1982 dropped 27 per cent below the depressed level of 1981, while sales in 1981 had dropped sharply from record 1980 levels. As in 1981, weak market demand resulted in reduced deliveries and decreased prices in 1982. The decline in the value of the pound sterling relative to the U.S. dollar experienced in 1981 continued in 1982 and adversely affected the results of Alloy Products United Kingdom operations as reported in U.S. dollars, since sterling inventoried costs are translated into U.S. dollars at historic rates, while sales are translated at current rates.

Alloy Products (\$ millions)	1982	1981	1980
Net sales to customers	\$437	\$600	\$731
Operating earnings (loss)	\$(17)	\$ 22	\$ 87

Other Business The principal units included in this segment are Inmetco, involved in metals reclamation and recycling, and Inco Energy Resources, which was formed to conduct oil and gas exploration and development. Inmetco had operating losses of \$10 million in both 1980 and 1981 due to operational

Ten-Year Review

problems in 1980 and poor market conditions in 1981. Although costs decreased in 1982, an operating loss of \$5 million was incurred due primarily to depressed conditions in the U.S. specialty steel industry. Inco Energy Resources' operating losses, all of which related to its exploration activities, were \$3 million in 1980, \$8 million in 1981 and \$6 million in 1982; capitalized exploration expenditures totalled \$17 million at December 31, 1982. The balance of the losses in each of the three years was mainly attributable to ventures based on Inco's research technology.

Other Business (\$ millions)	1982	1981	1980
Net sales to customers	\$ 14	\$ 16	\$ 8
Operating loss	\$(17)	\$(27)	\$(18)

Interest and Taxes Interest expense for the year 1982 was marginally higher than in 1981. However, on a quarterly basis, interest expense has declined steadily from its peak in the second quarter of 1982 due to reduced debt levels and to lower interest rates. The relationship of income and mining taxes to pretax losses is largely influenced by the level of losses of the nickel operations in Indonesia and Guatemala, on which no tax benefit is recognized, and by the effect of currency translations. In addition, because of the loss from Canadian operations in 1982, resource and depletion allowances were not available and the investment tax credit of \$7 million recorded in 1981 was reversed.

Extraordinary Charges In 1981, the Company incurred two extraordinary charges totalling \$465 million. One charge of \$220 million represented a revaluation equivalent to the Company's total investment in Exmibal, its 80 per cent owned Guatemalan subsidiary, in connection with the decision to mothball Exmibal's nickel mining and processing facilities; the mothballing was completed in 1982.

As a result of the Company's decision to withdraw from the battery and related products businesses of Inco ElectroEnergy Corporation, a charge of \$245 million was also recognized in 1981. In early 1983, the Company substantially completed the withdrawal from such businesses.

Financial Position

Cash Flow In 1980, the Company incurred an internal cash shortfall of \$110 million resulting principally from an increase in its primary metals inventories. In 1981, the Company incurred a shortfall of \$67 million related to continuing operations, resulting principally from the very low level of earnings, and \$130 million (including repayment of debt) related to discontinued business segments. In 1982, an internal cash shortfall of \$55 million was incurred; a \$58 million shortfall from continuing oper-

1982

Summary of operations (in thousands)

Net sales*	\$1,236,000
Cost of sales and operating expenses*	\$1,264,600
Selling, general and administrative expenses*	\$ 123,200
Interest, net of amounts capitalized*	\$ 148,300
Income and mining taxes*	\$ (106,600)
Earnings (loss) from continuing operations before extraordinary charges*	\$ (204,200)
Net earnings (loss) applicable to common shares	\$ (232,300)
Per common share	\$ (2.82)
Common dividends	\$ 16,100
Per common share	\$ 0.20
Common shares outstanding (weighted average)	82,247

Other financial data (in thousands)

Capital expenditures*	\$ 95,300
Depreciation and depletion*	\$ 110,300
Pension expense*	\$ 34,300
Research and development expense*	\$ 35,800
Exploration expense*	\$ 19,200
Working capital	\$ 746,800
Net property, plant and equipment	\$2,109,000
Total assets	\$3,406,000
Total debt	\$1,203,400
Preferred shares	\$ 338,600
Common shareholders' equity	\$1,173,000
Return on total assets	—
Return on common shareholders' equity	—

Operating data (in thousands)

Ore mined – short tons	7,500
Nickel production – pounds	201,300
Nickel deliveries – pounds	250,800
Copper deliveries – pounds	167,400
Platinum-group metals and gold deliveries – troy ounces	310

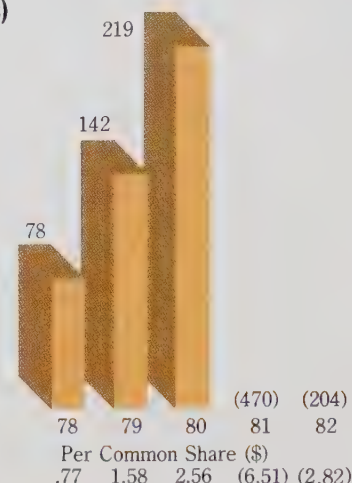
Other statistics

Employees at year end*	25,798
Common shareholders at year end	55,759

*Amounts reported are for continuing operations only.

Net Earnings (Loss)

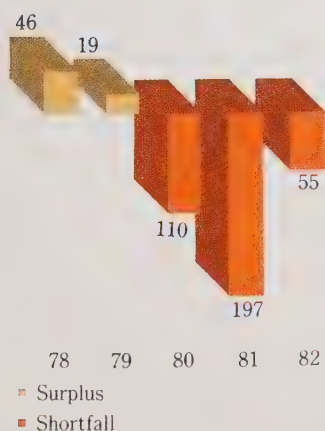
(\$ millions)



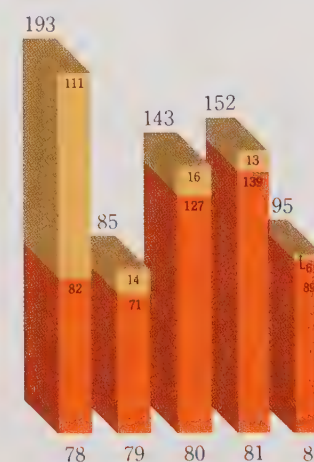
1981	1980	1979	1978	1977	1976	1975	1974	1973
1,885,900	2,150,000	1,611,300	1,298,000	1,247,800	1,442,600	1,198,000	1,450,600	1,172,800
1,454,400	1,352,300	1,116,400	992,900	917,800	946,600	756,400	768,300	693,300
144,400	144,500	109,400	102,500	97,200	91,000	79,500	78,900	66,300
147,100	124,800	109,900	59,000	52,600	56,500	38,500	38,900	42,300
81,200	250,400	121,200	72,600	65,500	130,200	125,400	244,000	120,500
20,400	249,600	135,800	61,700	87,700	178,500	179,800	296,700	225,600
(497,500)	193,200	118,500	57,300	92,300	196,800	186,900	298,600	225,600
(6.51)	2.56	1.58	0.77	1.24	2.64	2.51	4.01	3.02
45,000	52,100	37,400	52,200	93,200	119,300	119,300	119,300	89,400
0.59	0.69	0.50	0.70	1.25	1.60	1.60	1.60	1.20
76,395	75,464	74,762	74,595	74,593	74,576	74,552	74,541	74,535
152,200	143,300	85,400	193,400	402,500	434,900	315,800	141,400	88,800
139,900	142,500	111,000	89,700	96,900	98,100	96,600	92,100	76,800
59,800	61,600	54,700	47,900	46,500	47,400	33,700	32,000	21,300
37,000	34,100	26,600	31,400	39,400	34,200	32,200	31,200	26,700
32,700	26,900	13,900	14,200	22,400	34,100	26,500	18,200	15,200
981,500	1,039,500	943,100	961,900	826,200	595,300	589,500	648,000	537,800
2,136,100	2,542,400	2,523,400	2,540,500	2,436,700	2,119,400	1,785,000	1,560,200	1,395,400
3,777,400	4,642,800	4,335,400	4,145,600	4,075,800	3,628,300	3,025,700	2,799,700	2,248,800
1,331,400	1,351,700	1,274,100	1,307,000	1,315,600	1,251,600	803,300	621,900	466,500
341,800	345,000	348,300	351,600	353,300	—	—	—	—
1,291,100	1,817,300	1,657,900	1,566,700	1,561,600	1,562,400	1,484,400	1,416,400	1,236,900
—	4.7%	3.3%	1.9%	2.5%	5.4%	6.2%	10.7%	10.0%
—	10.6%	7.1%	3.7%	5.9%	12.6%	12.6%	21.1%	18.2%
13,400	16,400	9,600	10,900	19,600	19,800	21,200	22,000	19,700
330,100	393,800	255,000	267,300	416,700	461,600	458,900	509,600	469,200
341,800	345,400	393,600	377,400	312,300	409,800	351,100	549,100	517,000
239,800	288,300	129,100	224,600	341,200	356,000	334,600	367,200	327,100
317	349	326	468	438	554	301	317	413
31,678	33,975	33,864	33,326	38,216	38,696	37,755	32,459	31,311
62,054	67,609	74,541	75,067	77,875	78,014	84,369	86,795	90,660

Internal Cash Flow

(\$ millions)

**Capital Expenditures***

(\$ millions)



*Continuing operations

ations offset by a surplus of \$3 million related to discontinued business segments, comprised of \$63 million of proceeds from disposition of discontinued business units less repayment of debt and expenses of \$60 million. An additional \$90 million of cash proceeds from the disposition of Inco ElectroEnergy is expected to be received in 1983.

Since the beginning of 1981, in order to reduce costs and cash outflows and to strengthen its financial position in response to the deteriorating business climate, the Company has taken the following major actions:

- Mothballed the Guatemalan nickel plant, which was already shut down.
- Cut back production at the Ontario and Manitoba Divisions, at Clydach, Wales, and at Soroako, Indonesia.
- Reduced Alloy Products working capital significantly.
- Substantially completed the disposition of the Inco ElectroEnergy businesses.
- Reduced capital expenditures for continuing operations from a planned \$180 million in 1982 to \$95 million. Capital expenditures for 1983 are estimated to be \$100 million.
- Reduced administrative expenses, research and development and exploration activities.
- Reduced employment worldwide by 24 per cent, or over 8,000 people, in continuing businesses.
- Reduced the common dividend starting in the fourth quarter of 1981.
- Issued common shares and warrants.

The actions produced a favorable pretax cash effect of nearly \$1 billion.

These actions were successful in reducing the Company's cash shortfalls, such that having experienced a \$64 million shortfall in the first half of 1982, the Company generated \$9 million positive cash flow

in the second half of the year. Cash flow in the first quarter of 1983 is expected to be positive, although in the second quarter it is likely again to be negative as the Ontario Division resumes operations. Cash flow thereafter will be dependent upon metal market conditions.

Capital Resources and Liquidity The Company's capital structure is highly leveraged due to its heavy reliance on external debt financing, particularly during the mid-1970s, and the reduction of its shareholders' equity resulting from the write-down in 1981 of its investments in Inco ElectroEnergy and Exmibal and the substantial losses incurred by the Company since mid-1981.

Despite an internal cash shortfall of \$55 million, total debt was reduced by \$128 million in 1982 principally as a result of the \$125 million proceeds from the sale of common shares and warrants. The sale of these shares enabled the Company to partially restore its net worth which had deteriorated as a result of losses incurred during the year.

During 1982, the Company increased its committed long-term bank credit facilities by \$300 million to a total of \$790 million. Borrowings outstanding under or supported by such facilities decreased by \$81 million in 1982, resulting in unutilized credit facilities of \$460 million at the end of the year. Certain of these facilities include a covenant which requires that the ratio of consolidated debt to consolidated net worth not exceed 55:45 through 1984 and thereafter not exceed 50:50. At December 31, 1982, this ratio was 45:55.

The Company's bond and commercial paper ratings were further reduced by several North American rating agencies during 1982. These reductions have adversely affected the Company's ability to raise debt in the public financial markets. The Company can draw on its unutilized long-term bank credit facilities to finance any internal cash shortfall experienced in 1983; it will, however, consider other financing opportunities, including the issuance of equity capital, in order to strengthen its financial position.

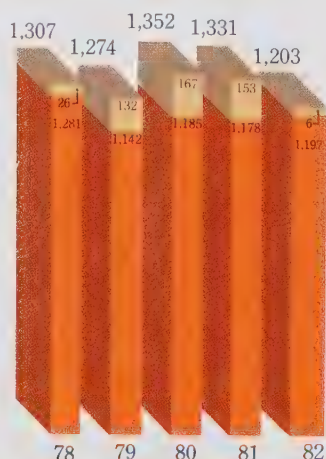
Other Information Reference is made to pages 33 and 36 of this Report for certain information on the effects of inflation and governmental and other policies and factors affecting the Company's operations and investments by non-Canadians in the Company's securities.

Debt Levels

(\$ millions)

■ Notes payable

■ Long-term debt (including current portion)



Consolidated Statement of Earnings

Inco Limited and Subsidiaries

Year ended December 31	1982	1981	1980
	<i>(in thousands)</i>		
Revenues			
Net sales	\$1,235,983	\$1,885,923	\$2,150,041
Other income	41,010	25,677	36,968
	1,276,993	1,911,600	2,187,009
Costs and expenses			
Cost of sales and operating expenses	1,264,564	1,454,430	1,352,255
Selling, general and administrative expenses	123,180	144,378	144,536
Research and development	35,788	36,996	34,124
Exploration	19,165	32,653	26,882
Interest expense	148,298	147,130	124,783
Currency translation adjustments	(3,161)	(5,616)	4,391
	1,587,834	1,809,971	1,686,971
Earnings (loss) from continuing operations before income and mining taxes	(310,841)	101,629	500,038
Income and mining taxes	(106,628)	81,162	250,413
Earnings (loss) from continuing operations before extraordinary charges	(204,213)	20,467	249,625
Loss from operations of discontinued business segments, net of applicable income taxes (Note 2)	—	(25,347)	(30,218)
Earnings (loss) before extraordinary charges	(204,213)	(4,880)	219,407
Extraordinary charges			
Provision for loss on disposition of discontinued business segments, net of applicable income taxes (Note 2)	—	(245,000)	—
Loss on revaluation of investment in Exmibal (Note 3)	—	(219,638)	—
Net earnings (loss)	\$ (204,213)	\$ (469,518)	\$ 219,407
Net earnings (loss) per common share			
Continuing operations	\$ (2.82)	\$ (.10)	\$ 2.96
Discontinued business segments	—	(.33)	(.40)
Extraordinary charges	—	(6.08)	—
Net earnings (loss) per common share	\$ (2.82)	\$ (6.51)	\$ 2.56

Consolidated Statement of Retained Earnings

Year ended December 31	1982	1981	1980
	<i>(in thousands)</i>		
Retained earnings at beginning of year	\$1,088,317	\$1,630,852	\$1,489,678
Net earnings (loss)	(204,213)	(469,518)	219,407
Preferred dividends	(28,053)	(28,017)	(26,179)
Common dividends - \$.20 per share (1981 - \$.59, 1980 - \$.69)	(16,099)	(45,000)	(52,054)
Retained earnings at end of year	\$ 839,952	\$1,088,317	\$1,630,852

The Explanatory Financial Section on pages 24 through 31 is an integral part of these statements.

Consolidated Balance Sheet

Inco Limited and Subsidiaries

December 31	1982	1981	1980
	<i>(in thousands)</i>		
Current assets			
Cash	\$ 10,396	\$ 6,795	\$ 26,321
Marketable securities, at cost; (market 1982 – \$8,700,000, 1981 – \$33,000,000, 1980 – \$27,000,000)	8,255	27,874	26,962
Accounts receivable	190,269	296,001	574,700
Income tax refunds receivable	51,234	18,386	10,319
Inventories	784,713	1,005,510	1,305,613
Prepaid expenses	8,254	11,561	17,977
Investment in discontinued business segments (Note 2)	70,000	205,000	—
Total current assets	1,123,121	1,571,127	1,961,892
Property, plant and equipment	3,571,856	3,523,833	3,951,238
Less – Accumulated depreciation and depletion	1,462,872	1,387,691	1,408,882
	2,108,984	2,136,142	2,542,356
Other assets			
Investments in and advances to affiliates, on an equity basis	14,143	14,776	66,152
Miscellaneous securities	73,545	39,248	27,841
Investment in discontinued business segments (Note 2)	70,000	—	—
Charges to future operations	16,234	16,115	16,964
Unamortized cost in excess of net assets of business acquired	—	—	26,594
	173,922	70,139	137,551
Total assets	\$3,406,027	\$3,777,408	\$4,641,799
Current liabilities			
Notes payable	\$ 6,175	\$ 153,227	\$ 166,646
Long-term debt due within one year	67,971	76,153	140,260
Trade accounts payable	37,826	42,544	112,063
Accrued payrolls and vacations	56,919	84,130	92,802
Other payables and accrued liabilities	203,754	211,635	249,205
Income and mining taxes payable	3,688	21,903	161,458
Total current liabilities	376,333	589,592	922,434
Other liabilities			
Long-term debt	1,129,293	1,101,981	1,044,780
Deferred income and mining taxes	346,800	412,100	445,000
Pension benefits	36,299	34,357	52,156
Minority interest	5,667	6,433	15,088
	1,518,059	1,554,871	1,557,024
Preferred shares issued, \$25 (Cdn.) issue price:			
Series A floating rate	239,250	239,250	239,250
Series B 7.85%	99,344	102,548	105,790
	338,594	341,798	345,040
Common shareholders' equity			
Common shares issued, without nominal or par value	272,053	141,794	125,413
Capital surplus	61,036	61,036	61,036
Retained earnings	839,952	1,088,317	1,630,852
Total common shareholders' equity	1,173,041	1,291,147	1,817,301
Total liabilities and shareholders' equity	\$3,406,027	\$3,777,408	\$4,641,799

The Explanatory Financial Section on pages 24 through 31 is an integral part of these statements.

Approved by the Board of Directors: **Charles F. Baird**
Donald J. Phillips

Consolidated Statement of Changes in Financial Position

Inco Limited and Subsidiaries

Year ended December 31	1982	1981	1980
		<i>(in thousands)</i>	
Financial resources were provided (used) by			
Continuing operations			
Earnings (loss) before extraordinary charges	\$(204,213)	\$ 20,467	\$249,625
Charges (credits) not affecting working capital			
Depreciation	101,356	123,716	124,103
Depletion	8,991	16,190	18,383
Deferred income and mining taxes	(65,300)	17,300	6,300
Loss on disposals of property, plant and equipment	3,715	16,707	4,388
Currency translation adjustments not affecting working capital	(12,191)	(7,042)	2,954
Other - net	(1,662)	2,558	(11,955)
	(169,304)	189,896	393,798
Discontinued operations			
Loss from operations	—	(25,347)	(30,218)
Charges (credits) not affecting working capital	—	(3,012)	18,597
	—	(28,359)	(11,621)
Working capital provided (used) by operations before extraordinary charges	(169,304)	161,537	382,177
Extraordinary charges			
Changes in working capital resulting from:			
Discontinuance of business segments	—	(93,898)	—
Revaluation of investment in Exmibal	—	(20,728)	—
Working capital provided (used) by operations	(169,304)	46,911	382,177
Long-term borrowings	69,825	346,031	153,655
Net proceeds from sales of common shares and warrants	124,514	—	—
Shares issued in lieu of cash dividends	5,360	15,215	16,923
Other - net	3,248	11,070	(2,418)
Total	33,643	419,227	550,337
Financial resources were used for			
Preferred dividends	28,053	28,017	26,179
Common dividends	16,099	45,000	52,054
Capital expenditures for continuing operations	95,290	152,247	143,294
Capital expenditures for discontinued business segments	—	33,392	48,167
Reclassification of investment in discontinued business segments	100,300	—	—
Reduction of long-term debt	28,648	218,494	184,306
Total	268,390	477,150	454,000
Increase (decrease) in working capital	\$(234,747)	\$ (57,923)	\$ 96,337
Analysis of changes in working capital			
Increase (decrease) in current assets			
Cash and marketable securities	\$ (16,018)	\$ (18,614)	\$ (20,691)
Accounts and tax refunds receivable	(72,884)	(270,632)	66,759
Inventories	(220,797)	(300,103)	223,969
Prepaid expenses	(3,307)	(6,416)	6,429
Investment in discontinued business segments	(135,000)	205,000	—
Total	(448,006)	(390,765)	276,466
Increase (decrease) in current liabilities			
Notes payable and other debt	(155,234)	(77,526)	105,102
Payables and accrued liabilities	(39,810)	(115,761)	38,163
Income and mining taxes payable	(18,215)	(139,555)	36,864
Total	(213,259)	(332,842)	180,129
Increase (decrease) in working capital	\$(234,747)	\$ (57,923)	\$ 96,337

The Explanatory Financial Section on pages 24 through 31 is an integral part of these statements.

Explanatory Financial Section

Note 1. Summary of Significant Accounting Policies

This summary of the major accounting policies of Inco Limited and subsidiaries is presented to assist the reader in evaluating the financial statements contained in this Report. These policies apply to the continuing operations of the Company and have been followed consistently in all material respects for the periods covered in the financial statements.

Principles of consolidation The consolidated financial statements include the accounts of the Company and its subsidiaries and are prepared in conformity with generally accepted accounting principles as established in Canada which, in the Company's case, generally conform with those established in the United States except as explained in Note 4.

Translation of financial statements into United States dollars The financial statements are expressed in United States currency. Cash, accounts receivable, current liabilities, the liability for pension benefits and long-term debt are translated at year-end rates of exchange. The translation of all other assets and liabilities generally recognizes the rates historically applicable. Revenues, expenses and certain costs are translated at monthly average rates during each year; inventoried costs, depreciation and depletion are translated at historical rates. Realized exchange gains and losses and currency translation adjustments are included in earnings currently.

Inventories Inventories are stated at the lower of cost or net realizable value. Cost for certain metals inventories in the United States is determined by the last-in, first-out method. Cost for other metals is average production or purchase cost, and for supplies is average purchase cost.

Property, plant and equipment Property, plant and equipment, which includes preproduction costs associated with major new facilities, is stated at cost. Such cost in the case of the Company's mines represents related acquisition and development expenditures.

Depreciation and depletion Depreciation is calculated using the straight-line method and, for the nickel operations in Guatemala (while in operation) and Indonesia, the unit-of-production method based on the estimated economic lives of property, plant and equipment. Such lives are generally limited to a maximum of 20 years and are subject to annual review. Depletion is calculated by a method which allocates the related recorded costs ratably to the tons of ore mined. Depletion is the systematic amortization of the recorded cost of the Company's mines and does not represent the decrease, if any, in the value of ore reserves as a result of ore mined.

Exploration Expenditures for mineral exploration are expensed as incurred. Expenditures for oil and gas prospects are accounted for by the successful efforts method, under which expenditures are expensed if a prospect is determined to be unsuccessful.

Income and mining taxes Deferred taxes are provided in recognition of timing differences that arise in reporting depreciation and other expense and revenue items for financial statement and income and mining tax purposes. Investment tax credits are accounted for by the "flow-through" method. Income taxes have not been provided on undistributed earnings of subsidiaries because only a minor portion of such earnings has not been or will not be permanently reinvested.

Pension plans The Company has pension plans covering essentially all employees. Pension costs are calculated and funded based on actuarial estimates. Prior service costs, which will be charged to operations within the next 15 years, approximated \$140 million at December 31, 1982. The liability for pension benefits consists of supplements for pensioners.

Net earnings per common share Net earnings per common share is calculated by dividing net earnings less preferred dividends by the weighted average number of common shares outstanding. The common stock equivalents of outstanding stock options and warrants do not dilute earnings per common share.

Note 2. Discontinued Business Segments

As a result of its decision to withdraw from the battery and related products businesses of Inco ElectroEnergy, in 1981 the Company recorded a provision for the loss on disposition of these businesses of \$245 million, after tax relief of \$47 million. These businesses are treated as discontinued business segments. Accordingly, the Consolidated Statement of Earnings excludes the revenues, costs, expenses and income taxes of the discontinued business segments, but reports the losses from these operations sepa-

rately for 1981 and 1980; no such loss is reported for 1982 because anticipated operating losses were included in the provision recorded in 1981. The Consolidated Balance Sheets reflect the investment in these businesses at estimated net realizable values of \$140 million for 1982 and \$205 million for 1981. The Balance Sheet for 1980 continues to reflect the assets and liabilities of Inco ElectroEnergy at historical amounts. Of the \$140 million value at December 31, 1982, \$70 million has been classified as current and \$70 million has been classified as non-current, reflecting the anticipated form of net proceeds to be received from transactions in 1983.

During 1982, the Company sold the uninterruptible power supply businesses in the United States and the United Kingdom, the dry-cell battery businesses in the United States, Canada, Europe and the Far East, and certain other operations. Proceeds from these sales included \$63 million in cash and, in certain cases, notes, preferred shares and equity interests in the acquiring companies; \$60 million of the proceeds were used for repayment of Inco ElectroEnergy's debt and certain expenses. The Company also decided to retain its one-third interest in Micro-lite S.A., a profitable Brazilian manufacturer of automotive and dry-cell batteries and other products.

In January 1983, the Company sold the dry-cell battery operations in Latin America, Africa and the Middle East and the automotive battery operations located primarily in the United States and Canada, thereby substantially completing the withdrawal from the battery and related products businesses. A major element of the plan of withdrawal remaining is the distribution of certain Inco ElectroEnergy pension funds to satisfy related pension plan obligations. The Company intends to complete this distribution during 1983.

Based on current estimates of the net proceeds to be received from 1983 transactions, no material adjustment to the provision for loss is anticipated.

Note 3. Loss on Revaluation of Investment in Exmibal

In late 1981, the Company decided to mothball the nickel mining and processing facilities of its 80 per cent owned Guatemalan subsidiary, Exploraciones y Explotaciones Mineras Izabal, S.A. (Exmibal) and wrote down its investment in Exmibal by \$219.6 million. In accordance with applicable accounting rules, no tax relief was recognized relative to this write-down. The \$219.6 million charge was equivalent to the Company's total investment in Exmibal, including loans and advances, and reflects a provision for repayment of Exmibal's external debt for which the Company has certain obligations. The facilities were mothballed in early 1982.

Note 4. Differences Between Canadian and United States Generally Accepted Accounting Principles for the Year 1981

The extraordinary charge of \$219.6 million relating to the revaluation of the Company's investment in Exmibal does not meet the criteria of an extraordinary item under United States practice; consequently, that amount would have been deducted to determine the results from continuing operations. Additionally, the extraordinary charge of \$245 million relating to the withdrawal from Inco Electro-Energy's businesses would have been reported as an element of the loss from discontinued business segments under United States practice. The Company's net loss for 1981 is identical under both Canadian and United States accounting practices. If these extraordinary charges were reported in accordance with accounting principles generally accepted in the United States, the presentation in the Consolidated Statement of Earnings for the year 1981 would have been as follows:

	Amount (in thousands)	Per Common Share
Loss from continuing operations (including \$219.6 million loss on revaluation of investment in Exmibal)	\$199,171	\$2.97
Loss from discontinued business segments		
Loss from operations	25,347	
Provision for loss on disposition	245,000	
	270,347	3.54
Net loss for the year	\$469,518	\$6.51

Note 5. Inventories

Inventories consist of the following:

December 31	1982	1981	1980
	(in thousands)		
Metals (at average cost)			
Finished and in-process	\$601,447	\$ 823,174	\$ 829,175
Supplies	108,862	119,821	139,390
	710,309	942,995	968,565
Metals (at last-in, first-out cost)			
Finished and in-process	66,040	58,810	64,492
Other products (principally at first-in, first-out cost)	8,364	3,705	5,376
Total - continuing operations	784,713	1,005,510	1,038,433
Discontinued business segments	—	—	267,180
Total	\$784,713	\$1,005,510	\$1,305,613

During 1982, 1981 and 1980, the liquidation of inventory quantities accounted for by the last-in, first-out (LIFO) method had the effect of reducing cost of sales and operating expenses by approximately \$11,200,000, \$11,300,000, and \$14,100,000 for the three years, respectively. Current cost in excess of the recorded cost of inventories accounted for by the LIFO method was \$66,258,000 at December 31, 1982.

Note 6. Property, Plant and Equipment

Property, plant and equipment consists of the following:

December 31	1982	1981	1980
	(in thousands)		
Mines and mining plants	\$1,167,400	\$1,132,069	\$1,107,036
Processing facilities	1,500,634	1,508,311	1,606,534
Other	373,594	365,478	453,184
Primary metals facilities	3,041,628	3,005,858	3,166,754
Alloy products facilities	439,112	394,833	377,513
Other	91,116	123,142	109,651
Total continuing operations	3,571,856	3,523,833	3,653,918
Discontinued business segments	—	—	297,320
Total property, plant and equipment	3,571,856	3,523,833	3,951,238
Accumulated depreciation	1,150,660	1,084,470	1,019,572
Accumulated depletion	312,212	303,221	287,031
Discontinued business segments - accumulated depreciation	—	—	102,279
	1,462,872	1,387,691	1,408,882
Net property, plant and equipment	\$2,108,984	\$2,136,142	\$2,542,356

Net property, plant and equipment at December 31, 1982 includes \$755 million relative to the Indonesian nickel operations and \$152 million applicable to mines in Canada which were on standby throughout 1982. Net property, plant and equipment at December 31, 1980 included \$215 million relative to the Guatemalan nickel operations which were revalued in 1981 (see Note 3).

To control inventories and conserve cash, the Company initiated shutdowns or production cutbacks at all major operations in 1982. Ontario Division facilities were shut down in July and are scheduled to reopen in April 1983. Manitoba Division operations were shut down November 1; production was resumed in late January 1983.

Note 7. Income and Mining Taxes

The provisions for income and mining taxes (tax relief) for the years 1980-1982 were as follows:

	1982	1981	1980
	(in thousands)		
Current taxes	\$ (48,628)	\$ 75,462	\$250,513
Current deferred	7,300	(11,600)	(6,400)
Future deferred	(65,300)	17,300	6,300
Total deferred taxes	(58,000)	5,700	(100)
Total income and mining taxes	\$(106,628)	\$ 81,162	\$250,413
Canada	\$(101,048)	\$ 77,283	\$223,620
Other (principally United States and United Kingdom)	(5,580)	3,879	26,793
	\$(106,628)	\$ 81,162	\$250,413

Earnings (losses) before income and mining taxes, by source, were as follows:

	1982	1981	1980
	<i>(in thousands)</i>		
Canada	\$ (241,415)	\$163,684	\$457,595
Other*	(69,426)	(62,055)	42,443
Total	\$ (310,841)	\$101,629	\$500,038

*Includes the losses of the Guatemalan and Indonesian nickel operations.

Deferred taxes result from timing differences arising from transactions which enter into the determination of net income and taxable income in different reporting periods. The sources of material timing differences, and the tax effect of each, for the three years were as follows:

	1982	1981	1980
	<i>(in thousands)</i>		
Tax (over) under book inventory valuation	\$ 9,000	\$10,900	\$ (3,600)
Tax over (under) book depreciation	(64,400)	7,300	10,200
Effect of U.S. foreign tax credit	—	5,300	—
Effect of U.K. tax change relating to prior years	—	(9,700)	—
Tax (under) book employee benefits	(600)	(8,200)	(4,500)
Other	(2,000)	100	(2,200)
Total	\$ (58,000)	\$ 5,700	\$ (100)

The deferred tax benefit recognized in 1982 relative to the excess of book over tax depreciation reflects the reversal of deferred tax liabilities established in prior years. Approximately one-third of the benefit gives effect to a similar excess becoming available in 1983.

The reconciliation between the combined federal-provincial statutory income tax rate in Canada and the effective income and mining tax rate follows:

Year ended December 31	1982	1981	1980
	Percentage of pretax earnings (loss)		
Combined Canadian federal-provincial statutory income tax rate	(48.4)%	49.0%	49.1%
Resource and depletion allowances	—	(39.3)	(14.1)
Adjusted income tax rate	(48.4)	9.7	35.0
Mining taxes	(2.0)	30.4	11.7
	(50.4)	40.1	46.7
Effects of losses of nickel operations in Indonesia and Guatemala	13.6	51.8	6.9
Currency translations	4.8	20.9	0.4
U.K. stock relief – prior years	(0.3)	(9.5)	—
– current year	(1.6)	(8.5)	(2.7)
Investment tax credits	2.3	(6.8)	(1.4)
Inventory allowance – Canada	(2.3)	(5.6)	(0.7)
Tax rate differential	1.9	(2.4)	1.4
Other	(2.3)	(0.1)	(0.5)
Effective income and mining tax rate	(34.3)%	79.9%	50.1%

In the three-year period 1980 through 1982, the changes in the effective income and mining tax rate were largely influenced by the level of losses of the nickel operations in Indonesia and Guatemala, on which no tax benefit is recognized, and by the effect of currency translations arising mainly from fluctuations in the relative values of the Canadian dollar, the pound sterling and the U.S. dollar. Since the Company operated at a loss in Canada in 1982, resource and depletion allowances were not available and the prior year's investment tax credit of \$7 million was reversed in 1982. The percentages for 1981 reconciling items were accentuated significantly by the low level of pretax earnings in 1981. The effective tax rate for 1981 was reduced by changes in tax legislation in the United Kingdom related to stock relief. Legislation enacted in 1981, which relates stock relief to the effect of inflation on inventories, reduced income and mining taxes by \$5.8 million in 1982, and \$18.3 million in 1981 including the reversal of \$9.7 million of deferred tax liabilities established in 1980.

The cumulative tax effect of timing differences relating to items of a non-current nature is shown separately as deferred income and mining taxes of \$346,800,000 in the Consolidated Balance Sheet at December 31, 1982. The cumulative tax effect of timing differences relating to items of a current nature of \$26,200,000 at December 31, 1982 is reflected as a reduction in the current liability for income and mining taxes payable. Investment tax credits reduced income and mining taxes by \$7 million in both 1981 and 1980, whereas in 1982, the reversal of the 1981 Canadian investment tax credit resulted in a charge of \$7 million.

The losses and unutilized investment tax credits relative to the Company's nickel operations in Indonesia, which totalled \$270 million and \$55 million, respectively, through December 31, 1982, can be carried forward indefinitely to reduce future taxes. As a result of the disposition of Inco Electro-Energy, the Company has approximately \$60 million of capital losses available to shelter future capital gains in the United States. The Company also has operating losses of \$15 million and investment tax credits of \$6 million in the United States, the major portion of which can be carried forward until 1997, and investment tax credits of \$12 million in Canada, \$7 million of which can be carried forward until 1986 and the remainder until 1987.

Note 8. Long-Term Debt

The Company's long-term debt consists of the following (the applicable weighted average interest rates and repayment periods as at December 31, 1982 are shown in parentheses):

December 31	1982	1981	1980
	(in thousands)		
Inco Limited			
6.85% U.S.\$ Debentures (1986-1993)	\$ 103,850	\$ 103,875	\$ 117,667
8.625% Cdn.\$ Debentures (1983-1991)	49,986	51,830	53,486
9.25% Cdn.\$ Debentures (1983-1990)	48,076	49,976	51,079
9.0% Eurodollar Debentures (1983-1992)	89,316	89,994	91,944
8.25% Eurodollar Notes (1984)	50,000	50,000	50,000
12.375% U.S.\$ Debentures (1991-2010)	100,000	100,000	100,000
15.75% Sterling Unsecured Loan Stock (2006)	49,500	49,500	—
U.S.\$ Revolving loans (10.1%) (1984-1992)*	266,300	232,000	—
Cdn.\$ Revolving loans (11.0%) (1985-1990)**	40,401	38,778	—
P.T. International Nickel Indonesia			
Eurodollar bank loans (10.6%) (1983-1989)*	103,848	107,692	211,538
Export & supplier credits (8.8%) (1983-1989)	146,340	167,459	184,727
Export & supplier credits (14.0%) (1983-1984)**	4,878	8,430	15,318
8.0625% U.S.\$ Production sharing loan (1983-1986)	12,600	16,200	19,800
Exmibal			
Export & supplier credits (8.5%) (1983-1988)	32,794	37,357	39,083
9.5% U.S.\$ International agency loans (1983-1988)	7,800	9,600	11,100
Eurodollar bank loans (12.3%) (1983)*	2,000	6,000	9,882
U.S.\$ Subordinated completion loan	—	—	2,734
Inco Europe Limited and subsidiaries			
U.S.\$ Revolving loans (9.6%) (1984-1988)*	18,000	10,000	23,890
Other (9.9%) (1983-2001)	9,469	10,776	9,841
Other Indebtedness			
(5.7%) (1983-2002)	62,106	38,667	28,036
Total continuing operations	1,197,264	1,178,134	1,020,125
Discontinued business segments	—	—	164,915
	1,197,264	1,178,134	1,185,040
Long-term debt due within one year			
Continuing operations	67,971	76,153	89,139
Discontinued business segments	—	—	51,121
	67,971	76,153	140,260
Long-term debt	\$1,129,293	\$1,101,981	\$1,044,780

*Interest is based on Eurocurrency rates.

**Interest is based on Canadian money market and banks' prime commercial lending rates.

The average interest rate on long-term debt at December 31, 1982 was 9.6%. Approximately 37% of such debt carries interest rates that are subject to periodic adjustments based on market interest rates. Long-term debt is payable in the following currencies: 76%-U.S. dollars, 15%-Canadian dollars, 5%-pounds sterling, and 4%-other currencies.

Interest expense on long-term debt for the years 1982, 1981 and 1980 was \$129,091,000, \$119,830,000 and \$106,276,000, respectively. Total interest expense is net of interest income earned from formal intercompany loans to discontinued business segments, at market interest rates, which totalled \$3,645,000 in 1982, \$19,438,000 in 1981 and \$9,573,000 in 1980.

The Company has not extended a financial guarantee of the debt of P.T. International Nickel Indonesia ("P.T. Inco"). However, the Company has agreed, subject to force majeure, to provide sufficient funds in the form of equity and senior loans to enable P.T. Inco to achieve project completion, which requires, in part, that the project produce nickel in matte during a 90-day period at an annualized rate of approximately 81 million pounds. Project completion also includes a cash flow test. The project's ability to achieve project completion before its senior debt is repaid will depend on future price/cost relationships and on improvements to its physical plant to permit the project to increase production to an annualized rate of 81 million pounds. In addition, the Company has agreed to purchase P.T. Inco's annual production in excess of 30.8 million pounds of nickel in matte at a formula price based on the price for Nickel Oxide Sinter 75.

At the end of 1982, the Company had unutilized committed credit facilities of \$460 million. Certain of these facilities contain covenants which require that the ratio of the Company's consolidated debt to its net worth not exceed 55:45 through 1984 and thereafter not exceed 50:50; at December 31, 1982, this ratio was 45:55. Under these facilities, net worth is essentially defined as the sum of preferred shares and common shareholders' equity, and consolidated debt is defined to include borrowings, guarantees and certain other minimal obligations.

The Company uses a combination of fees and bank balances to compensate banks in the United States, Canada and the United Kingdom for credit facilities. During 1982, the balances maintained averaged approximately \$1,100,000 and fees paid totalled approximately \$800,000. Where compensation takes the form of balances, the requirement can be met on an average basis so that the availability of the cash

is not restricted at any point in time.

Long-term debt maturities and sinking fund requirements for each of the five years through 1987 are: 1983 – \$67,971,000; 1984 – \$94,217,000; 1985 – \$77,908,000; 1986 – \$117,651,000; 1987 – \$158,512,000.

Note 9. Preferred and Common Shares

At December 31, 1982, the authorized share capital of the Company consisted of 30,000,000 preferred shares and an unlimited number of common shares. In 1982, the Company received \$72,423,000 from the sale in May of 6,900,000 Common Shares with warrants to purchase an additional 3,449,995 Common Shares, and \$52,091,000 from the sale in November of 6,000,000 Common Shares. If these 12,900,000 Common Shares had been issued at the beginning of 1982 and the net proceeds used to reduce debt, and therefore interest expense, the loss per common share would have been \$2.51 for the year 1982.

The Series A Preferred Shares, which do not have general voting rights, have a cumulative floating rate dividend equal to half of the Canadian bank prime rate plus 1½ per cent. The shares are redeemable at the option of the Company at \$25.375 (Cdn.) currently, such price decreasing annually to \$25.00 (Cdn.) by March 1, 1984. The shares are retractable at par, at the option of the holders, in 1987. The dividends of \$20,957,000 paid in 1982 on these preferred shares reflected an average annual dividend rate of approximately 10.3%; this dividend rate averaged 9.9% in 1981 and 8.5% in 1980.

The 7.85% cumulative Series B Preferred Shares have general voting rights and were redeemable at \$26.00 (Cdn.) commencing December 1, 1982, such price decreasing annually to \$25.00 (Cdn.) by December 1, 1987. The Company is required to repurchase 150,000 Series B Preferred Shares annually if such shares are available at a price not greater than \$25.00 (Cdn.) per share.

Series B Preferred shareholders have the right to elect to receive Series B Preferred Shares or Common Shares in lieu of cash dividends. Under the Inco Optional Stock Dividend Program, common shareholders may elect to receive Common Shares, valued at a five per cent discount from the market price of the shares, in lieu of cash dividends.

Under the Company's Share Purchase Plan, common shareholders can purchase Common Shares of the Company at prevailing market prices. Common shareholders can contribute from \$30 to \$6,000 (Cdn.) or from \$30 to \$5,200 (U.S.) quarterly (the maximum amount to be adjusted periodically to make allowance for significant currency fluctuations)

for such purchases on scheduled quarterly dividend payment dates.

Changes in the Series B Preferred Shares and Common Shares for the years 1980–1982 are shown below. There were no changes in the 10,000,000 Series A Preferred Shares issued in 1977.

	Series B Preferred Shares		Common Shares	
	Number of shares	\$ in thousands	Number of shares	\$ in thousands
December 31, 1979	4,784,090	\$109,066	75,134,327	\$107,225
Shares purchased	(150,000)	(3,420)	—	—
Stock options exercised	—	—	55,714	971
Shares issued in lieu of dividends	6,662	144	755,771	16,779
Shares sold under Share Purchase Plan	—	—	21,075	438
December 31, 1980	4,640,752	105,790	75,966,887	125,413
Shares purchased	(150,000)	(3,420)	—	—
Stock options exercised	—	—	19,568	315
Shares issued in lieu of dividends	8,504	178	809,019	15,037
Shares sold under Share Purchase Plan	—	—	55,019	1,029
December 31, 1981	4,499,256	102,548	76,850,493	141,794
Shares purchased	(150,000)	(3,420)	—	—
Shares issued in lieu of dividends	10,585	216	532,742	5,144
Shares sold under Share Purchase Plan	—	—	59,412	601
Shares sold under public offerings	—	—	12,900,000	124,514
December 31, 1982	4,359,841	\$ 99,344	90,342,647	\$272,053

Note 10. Stock Option Plans

The Key Employees Incentive Plan ("1968 Plan") and the 1979 Key Employees Incentive Plan ("1979 Plan") each authorized the granting of options to purchase up to 1,000,000 common shares at prices not less than 100% of their market value on the day the option is granted. The Plans provide that no shares subject to option shall be purchasable after ten years from the date of grant. With respect to stock options, the 1968 Plan was terminated in 1978 except as to options then outstanding, and no further options may be granted thereunder. At December 31, 1982, outstanding options for 385,575 shares under these Plans also carry share appreciation rights.

Directors who are not officers of the Company are not entitled to participate in the Plans. Changes during the year 1982 in options outstanding are summarized as follows:

	Number of Shares	
	1979 Plan	1968 Plan
Outstanding at December 31, 1981	565,535	476,937
Options granted at \$9.13 a share	276,200	—
Expired or cancelled	(49,375)	(41,538)
Outstanding at December 31, 1982	792,360	435,399
Shares available for grant at December 31, 1982	194,975	—
Shares exercisable as at December 31, 1982	381,097	434,433

At December 31, 1982, the average option price per share of options outstanding was \$20.12 (range \$15.57 – \$27.19) under the 1968 Plan and \$16.82 (range \$9.13 – \$23.94) under the 1979 Plan. The expiration dates of options outstanding at December 31, 1982 ranged from August 13, 1984 to January 1, 1991. At December 31, 1982, there were 791 employees participating in the 1979 Plan and 424 employees participating in the 1968 Plan.

Note 11. Pension Plans

Pension expense totalled \$34,335,000 in 1982, \$59,795,000 in 1981, and \$61,557,000 in 1980. The decrease in 1982 pension expense results from a number of factors, including favorable actuarial experience, investment gains, reduction in workforce levels, favorable exchange rates and the effect of the Ontario Division production shutdown. A comparison of accumulated plan benefits and plan net assets for the Company's Canadian, United States and United Kingdom pension plans is shown below. The actuarial present value of accumulated plan benefits and the net assets available for benefits have not been calculated for other pension plans; such benefits and related net assets are not material. At December 31, 1982, vested and nonvested benefits exceeded the related net assets of one of the Company's major Canadian pension trust funds by approximately \$100 million.

December 31	1982	1981
	(in thousands)	
Actuarial present value of accumulated plan benefits, using an assumed discount rate of 7.3%:		
Vested benefits	\$607,400	\$527,800
Nonvested benefits	149,400	122,200
	\$756,800	\$650,000
Net assets, at market value, available for benefits	\$876,200	\$759,300

Note 12. Other Income

Other income includes net gains on sales of assets, gains on retirement of long-term debt, interest, dividends, results of equity interests in affiliates and joint ventures, and realized exchange gains and losses which were not material. Also included in other income are gains on sales of securities of \$6,150,000 (1981 – \$1,720,000; 1980 – \$7,580,000). The gains in 1982 and in 1981 resulted principally from sales of marketable equity securities.

Note 13. Financial Data by Business Segment

Financial data for continuing operations, by business segment and geographic area, for the years 1982, 1981 and 1980 follow (in millions of dollars):

Data by Business Segment	Year 1982					Year 1981					Year 1980				
	Primary metals	Alloy products	Other	Eliminations	Total	Primary metals	Alloy products	Other	Eliminations	Total	Primary metals	Alloy products	Other	Eliminations	Total
Net sales to customers	\$ 785	\$437	\$ 14	\$ —	\$1,236	\$1,270	\$600	\$ 16	\$ —	\$1,886	\$1,411	\$731	\$ 8	\$ —	\$2,150
Intersegment sales	57	5	—	(62)	—	133	5	—	(138)	—	144	3	—	(147)	—
Total net sales	\$ 842	\$442	\$ 14	\$ (62)	\$1,236	\$1,403	\$605	\$ 16	\$ (138)	\$1,886	\$1,555	\$734	\$ 8	\$ (147)	\$2,150
Operating earnings (loss)	\$ (130)	\$ (17)	\$ (17)	\$ 19	\$ (145)	\$ 281	\$ 22	\$ (27)	\$ 2	\$ 278	\$ 569	\$ 87	\$ (18)	\$ 4	\$ 642
Non-operating expenses*					(166)					(176)					(142)
Earnings (loss) before income and mining taxes					\$ (311)					\$ 102					\$ 500
Capital expenditures	\$ 67	\$ 17	\$ 11	\$ —	\$ 95	\$ 110	\$ 23	\$ 19	\$ —	\$ 152	\$ 93	\$ 28	\$ 22	\$ —	\$ 143
Depreciation and depletion	\$ 84	\$ 20	\$ 6	\$ —	\$ 110	\$ 114	\$ 18	\$ 8	\$ —	\$ 140	\$ 120	\$ 17	\$ 5	\$ —	\$ 142
Identifiable assets at December 31	\$2,527**	\$540	\$ 85	\$ (45)	\$3,107	\$2,797	\$650	\$ 81	\$ (76)	\$3,452	\$3,020	\$780	\$ 78	\$ (85)	\$3,793
Other assets					299					325					849
Total assets at December 31					\$3,406					\$3,777					\$4,642

Data by Geographic Area	United States				Total after eliminations	United States				Total after eliminations	United States				Total after eliminations
	Canada	States	Europe	Other		Canada	States	Europe	Other		Canada	States	Europe	Other	
Net sales to customers	\$ 175	\$465	\$458	\$138	\$1,236	\$ 279	\$705	\$728	\$ 174	\$1,886	\$ 325	\$781	\$870	\$ 174	\$2,150
Sales between geographic areas	540	10	7	—	—	977	15	12	27	—	1,057	29	17	59	—
Total net sales	\$ 715	\$475	\$465	\$138	\$1,236	\$1,256	\$720	\$740	\$ 201	\$1,886	\$1,382	\$810	\$887	\$ 233	\$2,150
Operating earnings (loss)	\$ (94)	\$ 18	\$ (37)	\$ (30)	\$ (145)	\$ 274	\$ 27	\$ 9	\$ (12)	\$ 278	\$ 562	\$ 32	\$ 70	\$ 28	\$ 642
Non-operating expenses*					(166)					(176)					(142)
Earnings (loss) before income and mining taxes					\$ (311)					\$ 102					\$ 500
Identifiable assets at December 31	\$1,500	\$407	\$346	\$988**	\$3,107	\$1,800	\$445	\$460	\$1,015	\$3,452	\$1,852	\$517	\$519	\$1,266	\$3,793
Other assets					299					325					849
Total assets at December 31					\$3,406					\$3,777					\$4,642

*Includes interest expense, general corporate income and expenses, equity in earnings of affiliates and currency translation adjustments.

**Includes assets of \$827 million relating to the Company's nickel operations in Indonesia.

The Company's business is organized around two principal groups: primary metals and alloy products. The Company's principal primary metals are nickel and copper. Wrought nickel, high-nickel alloys in rolling mill forms, and forgings are the Company's major alloy products.

Other assets include investments in discontinued business segments of: net assets, 1982 – \$140, and 1981 – \$205; and total assets, 1980 – \$743. Other assets also include \$14 (1981 – \$15, 1980 – \$24) of investments in and advances to affiliated companies and \$145 (1981 – \$105, 1980 – \$82) of corporate assets, principally cash, securities, and certain receivables and fixed assets.

The Company's intersegment sales are generally made at approximate prices used for sales to unaffiliated customers. Sales between geographic areas are generally made at prevailing market prices, except that sales of primary metals from Canada to other primary metals affiliates are net of discounts. In 1982, sales to customers include \$35 (1981 – \$44, 1980 – \$108) exported from Canada and \$29 (1981 – \$61, 1980 – \$68) exported from the United States. In 1982, total sales by Canadian companies include \$257 (1981 – \$464, 1980 – \$547) exported to the United States and \$243 (1981 – \$489, 1980 – \$549) exported to Europe.

Auditors' Report

To the Shareholders of Inco Limited:

We have examined the consolidated financial statements and explanatory financial section appearing on pages 21 through 31 of this report. Our examinations were made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of Inco Limited at December 31, 1982, 1981 and 1980 and the results of its operations and the changes in its financial position for the years then ended in accordance with generally accepted accounting principles as established in Canada applied on a consistent basis.

Toronto, Ontario
New York, New York
February 17, 1983

Price Waterhouse

Supplementary Financial Information

Quarterly Financial Information

Quarterly financial information follows (in thousands, except per share amounts):

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year
1982					
Net sales – continuing operations	\$390,797	\$356,901	\$ 233,192	\$ 255,093	\$1,235,983
Cost of sales and operating expenses	\$351,561	\$332,272	\$ 260,742	\$ 319,989	\$1,264,564
Currency translation adjustments – loss (gain)	\$ (3,056)	\$ (3,235)	\$ 1,617	\$ 1,513	\$ (3,161)
Loss before income and mining taxes (see Note below)	\$ (44,276)	\$ (48,022)	\$ (106,520)	\$ (112,023)	\$ (310,841)
Net loss	\$ (37,174)	\$ (36,947)	\$ (66,387)	\$ (63,705)	\$ (204,213)
Net loss per common share	\$ (.59)	\$ (.53)	\$ (.89)	\$ (.81)	\$ (2.82)
Dividends per common share	\$.05	\$.05	\$.05	\$.05	\$.20
1981					
Net sales – continuing operations	\$516,748	\$588,017	\$ 367,222	\$ 413,936	\$1,885,923
Cost of sales and operating expenses	\$355,166	\$419,154	\$ 291,958	\$ 388,152	\$1,454,430
Currency translation adjustments – loss (gain)	\$ (2,729)	\$ 3,529	\$ 1,238	\$ (7,654)	\$ (5,616)
Earnings (loss) before income and mining taxes	\$ 86,406	\$ 85,606	\$ (6,236)	\$ (64,147)*	\$ 101,629
Earnings (loss) from continuing operations before extraordinary charges	\$ 37,667	\$ 42,120	\$ (18,764)	\$ (40,556)	\$ 20,467
Net earnings (loss) from operations of discontinued business segments	(10,773)	712	(10,694)	(4,592)	(25,347)
Extraordinary charges	—	—	—	(464,638)**	(464,638)
Net earnings (loss)	\$ 26,894	\$ 42,832	\$ (29,458)	\$ (509,786)	\$ (469,518)
Net earnings (loss) per common share:					
Continuing operations	\$.42	\$.45	\$ (.34)	\$ (.63)	\$ (.10)
Discontinued business segments	(.14)	.01	(.14)	(.06)	(.33)
Extraordinary charges	—	—	—	(6.08)	(6.08)
Net earnings (loss) per common share	\$.28	\$.46	\$ (.48)	\$ (6.77)	\$ (6.51)
Dividends per common share	\$.18	\$.18	\$.18	\$.05	\$.59

Note: Year 1982 results reflect \$182 million of unusual charges relating to production shutdowns, severance costs and a one-month Ontario Division strike, as follows: first quarter – \$21 million, second quarter – \$27 million, third quarter – \$64 million and fourth quarter – \$70 million.

*Includes approximately \$35 million of unusual charges including strike and start-up expenses of \$16 million at the Manitoba Division, miscellaneous property write-offs and other items.

**Consists of a provision for loss on disposition of discontinued business segments of \$245 million and a loss on revaluation of investment in Exmibal of \$219.6 million (see Notes 2, 3 and 4).

Effect of Inflation on Selected Financial

Data The following supplementary information is supplied in accordance with the requirements of the Financial Accounting Standards Board (FASB) Statement No. 33, Financial Reporting and Changing Prices and FASB Statement No. 39, Financial Reporting and Changing Prices: Specialized Assets – Mining and Oil and Gas. The purpose is to measure the effects of inflation on the Company's operations and to provide financial information which has been adjusted for the effects of inflation. Two different methods are prescribed for calculating this supplemental information: one based on the effects of general inflation (constant dollar) and the other based on the effects of changes in the specific prices (current cost) of resources used by an enterprise. The technique used to prepare these data results in the restatement of amounts reported in prior years to current year dollars.

In the accompanying statement of income from continuing operations adjusted for changing prices, the Company's results as reported in the primary financial statements are compared with inflation-adjusted data. The terminology used in that presentation and elsewhere in this discussion has been defined in Statement No. 33 as follows:

Historical cost/nominal dollar accounting – The generally accepted method of accounting, used in the primary financial statements, based on measures of historical prices.

Constant dollar accounting – A method of reporting financial statement elements in dollars each of which has the same (i.e., constant) general purchasing power.

Current cost accounting – A method of measuring and reporting assets and expenses associated with the use or sale of assets at their current cost or lower recoverable amount at the balance sheet date or at the date of use or sale.

As a result of the Company's decision to withdraw from the battery and related products businesses of Inco ElectroEnergy in 1981, those businesses have been treated as discontinued business segments (see Note 2 of the Explanatory Financial Section). The inflation accounting data relate only to continuing operations and, except for shareholders' equity, exclude the Company's investment in discontinued businesses. Common shareholders' equity, for purposes of computing inflation-adjusted net assets, includes the discontinued businesses at net realizable value for 1981 and 1982 and at historical book value for 1979 and 1980.

The historical cost/nominal dollar values for property, plant and equipment associated with Exmibal have been used in the inflation-adjusted data provided for 1979 and 1980. As discussed in Note 3 of the Explanatory Financial Section, in late 1981 the Company's investment in Exmibal was written down by \$220 million, a charge equivalent to its total investment in Exmibal; accordingly, no value has been assigned to Exmibal's property, plant and equipment at December 31, 1981 and 1982.

The historical cost/nominal dollar values of property, plant and equipment, inventories, and cost of sales and operating expenses expressed in U.S. dollars have been restated into average 1982 constant dollars by applying, as required, the U.S. Consumer Price Index for All Urban Consumers (CPI-U). The current cost of property, plant and equipment has been determined principally by the application of specific indices to the historical/nominal dollar value of the assets. The current cost of inventories and cost of sales and operating expenses is based on estimated recent production or manufacturing costs appropriately adjusted. Current cost values for depreciation and depletion are used in these calculations. The current cost information has been estimated initially in local currency and translated into U.S. dollars using year-end exchange rates for property, plant and equipment and inventories and average exchange rates for cost of sales and operating expenses and depreciation and depletion. Depreciation and depletion have been calculated by applying the methods used in historical cost/nominal dollar accounting to the values of property, plant and equipment expressed in constant dollars and at current cost.

The gain from decline in the purchasing power of net amounts owed is determined by calculating the net monetary assets or liabilities at the beginning and end of the year, stating these amounts in average constant dollars for that year and deriving the change therefrom. Monetary assets and liabilities are those items which are or will be converted into a fixed number of dollars regardless of changes in prices (for example: cash, accounts receivable and long-term debt).

As required, in the accompanying five-year comparison of selected supplementary financial data adjusted for the effects of changing prices, net sales and other income, dividends per common share and market price per common share at year end are

Statement of Income from Continuing Operations Adjusted for Changing Prices

For the Year Ended December 31, 1982 (in millions)

	As reported in the primary statements (Historical/ nominal dollars)	Adjusted for general inflation (Average 1982 constant dollars; 1967 = 100)	Adjusted for specific price changes (Current cost)
Net sales and other income	\$1,277	\$1,277	\$1,277
Cost of sales and operating expenses	1,265*	1,480*	1,382*
Selling, general and administrative expenses	123*	127*	127*
Research and development	36*	38*	38*
Exploration	19*	19*	19*
Interest	148	148	148
Currency translation adjustments	(3)	(3)	(3)
Total costs and expenses	1,588	1,809	1,711
Loss before income and mining taxes	(311)	(532)	(434)
Income and mining taxes	(107)	(107)	(107)
Loss from continuing operations	\$ (204)	\$ (425)	\$ (327)
Gain from decline in purchasing power of net amounts owed		\$ 78	\$ 78
*Includes depreciation and depletion, which for the year 1982 totalled	\$ 110	\$ 242	\$ 236
Increase in specific prices (current cost) of inventories and property, plant and equipment held during the year**			\$ 289
Effect of increase in general price level			189
Excess of increase in specific prices over general price level			\$ 100

**At December 31, 1982 current cost of inventory was \$884 million and property, plant and equipment, net of accumulated depreciation, was \$3,776 million.

restated into constant/average 1982 dollars for each of the five years shown. Earnings or losses from continuing operations, gains from decline in purchasing power of net amounts owed, and net assets at year end are required to be reported only from 1979. Net assets at year end is a restatement into constant/average 1982 dollars of common shareholders' equity at year end, as reported in the primary financial statements, adjusted to reflect the excess of the constant dollar and current cost values for inventories and property, plant and equipment over the respective historical cost/nominal dollar amounts.

Comments on Inflation-Adjusted Data Net earnings from continuing operations as reported for the years 1979-1981 are generally restated into net losses or, as happened in 1982, reported losses are substantially increased when determined by either the constant dollar or current cost accounting method. The losses in 1979 and 1980 result principally from the requirement that income and mining taxes be reported at the same amount as in the primary financial statements based on historical cost/nominal dollar accounting. This treatment highlights the hidden tax being borne by companies because tax legislation does not give adequate recognition to the effects of inflation. With respect to 1981, the Company's poor performance in historical cost/nominal dollar terms, due principally to declining prices and rising costs, is accentuated when restated into constant dollars or at current cost. A similar effect is seen in 1982 reflecting further deterioration in metals markets.

With respect to pretax earnings, the inflation-adjusted results are influenced by the same factors that affected results expressed in historical cost/nominal dollars. The low level of pretax earnings in 1979 reflects the depressed prices for nickel, particularly in the first half of the year, the Sudbury strike costs and the reduction in earnings attributable to the Guatemalan and Indonesian nickel operations. The improvement in 1980 reflects increased metals prices, the absence of strike costs and reduced losses from Guatemala and Indonesia. The 1981 results were adversely affected by significantly lower price realizations and sharply higher costs and expenses. Inflation-adjusted pretax earnings at current cost are generally lower than constant dollar pretax results due mainly to the fact that prices specific to certain key elements of the Company's production costs have been increasing at a faster rate than the CPI-U. However, in 1982, this trend was reversed principally due to the effects of cost reduction actions implemented during the year. In 1981 and 1982, current cost results reflect a benefit

from the strengthening of the U.S. dollar relative to the pound sterling.

The Company's monetary liabilities were substantially in excess of its monetary assets at each year-end, 1979-1982, resulting in purchasing power gains

in net amounts owed ranging from \$311 million in 1979 to \$78 million in 1982. The decrease in the gain reflects mainly the decline in the rate of inflation over this period and, additionally in 1982, the substantial decrease in net monetary liabilities.

Five-Year Comparison of Selected Supplementary Financial Data Adjusted for the Effects of Changing Prices*

Year Ended December 31	1982	1981	1980	1979	1978
<i>(dollar amounts in millions, except per share amounts)</i>					
Net sales and other income					
As reported	\$1,277	\$1,912	\$2,187	\$1,643	\$1,318
Constant/average 1982 dollars	1,277	2,029	2,562	2,185	1,950
Earnings (loss) from continuing operations before income and mining taxes					
As reported	\$ (311)	\$ 102	\$ 500	\$ 257	
Constant/average 1982 dollars	(532)	(153)	313	132	
Current cost/average 1982 dollars	(434)	(161)	282	92	
Net earnings (loss) from continuing operations					
As reported	\$ (204)	\$ 21	\$ 250	\$ 136	
Constant/average 1982 dollars	(425)	(239)	20	(29)	
Current cost/average 1982 dollars	(327)	(247)	(11)	(69)	
Net earnings (loss) from continuing operations per common share					
As reported	\$ (2.82)	\$ (0.10)	\$ 2.96	\$ 1.50	
Constant/average 1982 dollars	(5.51)	(3.51)	(0.14)	(0.80)	
Current cost/average 1982 dollars	(4.32)	(3.63)	(0.55)	(1.34)	
Gain from decline in purchasing power of net amounts owed (constant/average 1982 dollars)	\$ 78	\$ 183	\$ 262	\$ 311	
Net assets at year end (common shareholders' equity)					
As reported	\$1,173	\$1,291	\$1,817	\$1,658	
Constant/average 1982 dollars	3,755	3,958	4,613	4,635	
Current cost/average 1982 dollars	2,908	3,294	3,926	3,792	
Excess of increase in specific prices of inventories and net property, plant and equipment held during the year over general inflation	\$ 100	\$ 82	\$ 173	\$ 175	
Dividends per common share					
As reported	\$ 0.20	\$ 0.59	\$ 0.69	\$ 0.50	\$ 0.70
Constant/average 1982 dollars	0.20	0.63	0.81	0.66	1.04
Market price per common share, New York Stock Exchange - Composite transactions, at year end					
Historical dollars	\$11.75	\$14.25	\$20.38	\$23.75	\$15.88
Constant/average 1982 dollars	11.62	15.12	23.87	31.58	23.49
Average consumer price index	289.1	272.4	246.8	217.4	195.4

*Amounts reported are for results of continuing operations only.

Supplementary Operating Statistics The provisions of FASB Statement No. 39 also require mining companies to report other supplemental information on mineral resources, metals production and selling prices. The accompanying five-year summary of operating statistics is provided to assist users of mining company financial statements in assessing a company's ability to maintain operating capability.

Of the Company's 491 million short tons of proven and probable ore reserves in Canada at December 31, 1982, a total of 301 million tons were in mines which were producing in 1982 and 190 million tons were in mines under development and in non-producing mines. Only material that has been

sampled in sufficient detail to enable a reliable calculation is classified as reserves. Ore grades are shown for both nickel and copper. The Canadian ore reserves also contain significant quantities of platinum-group metals, gold, silver and cobalt.

At the end of 1982, at the Company's Indonesian nickel operations, detailed sampling of the large nickeliferous laterite resources had been extended to increase the proven and probable ore reserves to 66 million short tons containing 1.2 million tons of nickel from 42 million tons containing 0.8 million tons of nickel at the end of 1981.

The Company's Guatemalan nickel operations were mothballed early in 1982.

Investor Information

Five-Year Supplementary Operating Statistics

Year ended December 31	1982	1981	1980	1979	1978
Canadian Operations:					
Proven and probable ore reserves at year end (tons in millions)	491	502	543	514	462
Nickel content (tons in millions)	7.3	7.7	8.1	7.6	7.5
Copper content (tons in millions)	4.5	4.6	4.9	4.8	4.7
Ore mined (tons in millions)	6.3	12.2	14.5	8.4	10.1
Average grade of ore mined					
Nickel	1.52%	1.42%	1.46%	1.53%	1.56%
Copper	.96%	1.09%	1.07%	1.02%	1.07%
Indonesian Operations:					
Proven and probable ore reserves at year end (tons in millions)	66	42			
Nickel content (tons in millions)	1.2	0.8			
Ore mined (tons in millions)	0.7	1.2	1.5	0.7	
Average grade of nickel in ore mined	2.16%	2.09%	2.00%	2.03%	Pre-operating Year
Combined Canadian, Indonesian and Guatemalan Operations:*					
Production (pounds in millions)					
Nickel	201.0	330.1	393.8	255.0	267.3
Copper	135.0	244.0	290.8	146.1	197.5
Average prices realized					
Nickel per pound					
- Historical/nominal dollars	\$2.55	\$2.99	\$3.14	\$2.43	\$1.98
- Constant/average 1982 dollars	\$2.55	\$3.17	\$3.68	\$3.23	\$2.93
Copper per pound					
- Historical/nominal dollars	\$0.71	\$0.82	\$1.00	\$0.91	\$0.61
- Constant/average 1982 dollars	\$0.71	\$0.87	\$1.17	\$1.21	\$0.90

Note: Canadian ore mined, and nickel and copper production were affected by strikes in 1978, 1979, 1981 and 1982 and by shut-downs in 1982.

*Ore mined at the Guatemalan facilities in 1979 and 1980 totalled 0.9 million tons; such facilities did not operate in 1981 and were mothballed in 1982.

Shareholders

At year-end 1982, 69 per cent of the shareholders having general voting rights (the Common and the Series B Preferred shareholders) had addresses in Canada, 29 per cent in the United States and 2 per cent elsewhere. Of these voting shares, Canadian residents of record held 50 per cent, United States residents of record 38 per cent, and residents of record in other countries 12 per cent.

Warrants

The Company had 3,449,995 share purchase warrants outstanding at December 31, 1982. Each warrant entitles the holder to purchase one Common Share at \$16.00 (Cdn.), or the equivalent in U.S. dollars if the warrant is exercised outside Canada. The warrants expire on August 20, 1985.

Dividends

On February 7, 1983, the Board of Directors declared a regular quarterly dividend of 5 cents a common share, payable March 15 to shareholders of record on February 17. The Company paid total dividends per common share of 20 cents in 1982 and 59 cents in 1981. The Board of Directors on February 7 also declared a quarterly dividend at an annual rate of 8.525 per cent on the Company's floating rate Series A Preferred Shares, payable March 1 to shareholders of record on February 17 and declared a quarterly dividend on the Company's 7.85% Series B Preferred Shares, payable March 1 to shareholders of record on February 17.

Optional Stock Dividend Program

Under the Company's Optional Stock Dividend Program, common shareholders have the right to elect to receive a stock dividend, valued at a 5 per cent discount from the market price of the Company's Common Shares, in lieu of a cash dividend. Holders of 33 per cent of the Company's outstanding Common Shares are now participating in the Program. The Program permits many shareholders to receive certain tax benefits, including the deferral of income taxes and the elimination of Canadian withholding taxes, and also provides common shareholders with a simple and convenient method of obtaining additional Common Shares at a 5 per cent discount and without payment of brokerage commissions or service charges.

Share Purchase Plan

Under the Company's Share Purchase Plan, common shareholders are entitled to make cash payments to purchase Common Shares of the Company at prevailing market prices. There are no service charges or brokerage commissions for Common Shares purchased under the Plan. Common shareholders can contribute from \$30 to \$6,000 (Cdn.) or from \$30 to \$5,200 (U.S.) per calendar quarter to purchase Common Shares from the Company on scheduled quarterly dividend payment dates. Those shareholders who wish to participate in the Plan or the Optional Stock Dividend Program or who desire additional information should write to Shareholder Services, Inco Limited, at either the Company's Toronto or New York address.

Other Information

Canadian federal legislation proposed on December 7, 1982 generally requires a 15 per cent withholding from cash dividends paid to common shareholders resident in the United States, the United Kingdom and most western European countries. Similarly, depending upon applicable tax treaties, cash dividends paid to other non-residents of Canada are subject to a withholding tax at a maximum rate of 25 per cent. Interest payable on the Company's debt securities held by non-Canadian residents may also be subject to Canadian withholding tax, depending upon the terms and provisions of such securities. Stock dividends paid to non-Canadian residents are generally not subject to Canadian withholding tax. Under recent legislation enacted in the United States, the Company will be required to withhold at a 10 per cent rate on dividends and interest paid after June 30, 1983 to certain United States persons.

The Company has two classes or series of securities which have general voting rights, its Common Shares and its 7.85% Preferred Shares Series B. At shareholders' meetings, each holder of these securities is entitled to one vote for each share held and there are no cumulative voting provisions. In addition, the institutional holders of the Company's Series A Preferred Shares have certain limited rights to elect two directors if dividends thereon are in arrears. At December 31, 1982, the number of Series A Preferred shareholders totalled 27, all Canadian residents, and the number of Series B Preferred shareholders totalled 1,656, principally Canadian residents.

Subject to the preferential rights of the holders of the Company's Preferred Shares, the holders of Common Shares are entitled to such dividends as may be declared by the Board of Directors out of funds legally available therefor. No dividend or other distribution on the Common Shares shall be paid,

and no Common Shares shall be acquired for value, unless dividends on all outstanding Preferred Shares have been paid for all past quarterly periods. There are no charter or contractual provisions expressly limiting either the amount of cash dividends which the Company may declare and pay on its Common Shares or the right of non-residents of Canada to hold or vote any of the Common Shares of the Company.

There are certain restraints on the holding of Inco's voting equity securities. The Company's Series B Preferred Shares were issued and sold in a 1977 underwritten public offering in Canada only and no market for such shares exists outside Canada. Under the Foreign Investment Review Act of Canada (FIRA) enacted in 1973, there are limitations on the number of shares of a Canadian company which may be acquired by non-Canadian persons (a "non-eligible person"). The effect of FIRA is to prohibit the acquisition of "control" (as defined under FIRA) of Canadian business enterprises such as the Company by a "non-eligible person" (as defined under FIRA) unless such acquisition is found by the Canadian Government to be of significant benefit to Canada.

Through subsidiaries and affiliates, the Company's continuing operations are conducted in over 20 countries; some \$1,300 million of the Company's consolidated total assets related to continuing operations are located outside Canada and the United States. Accordingly, operations are subject to various governmental policies or regulations and changes therein and the risks associated with doing business in numerous overseas locations.

Market Price Range for Common and Series B Preferred Shares

Year ended December 31	1982	1981
- Common Shares -		
New York Stock Exchange (Composite transactions)		
First quarter	\$14 ³ / ₄ - 11 ³ / ₈	\$23 ⁵ / ₈ - 18 ¹ / ₂
Second quarter	11 ³ / ₄ - 8 ³ / ₈	23 ⁵ / ₈ - 19 ¹ / ₂
Third quarter	11 - 7 ⁷ / ₈	20 ³ / ₄ - 14 ³ / ₈
Fourth quarter	12 ³ / ₈ - 8 ¹ / ₂	15 ⁵ / ₈ - 12 ¹ / ₂
Toronto Stock Exchange (Canadian dollars)		
First quarter	\$17 ¹ / ₂ - 13 ⁷ / ₈	\$28 - 21 ¹ / ₂
Second quarter	14 ³ / ₈ - 10 ⁵ / ₈	28 ¹ / ₂ - 23 ³ / ₈
Third quarter	13 ¹ / ₂ - 9 ³ / ₄	25 - 16 ³ / ₄
Fourth quarter	14 ⁷ / ₈ - 10 ¹ / ₂	18 ⁵ / ₈ - 14 ⁷ / ₈
- Series B Preferred Shares -		
First quarter	\$14 ¹ / ₈ - 11 ⁷ / ₈	\$20 ³ / ₄ - 18 ¹ / ₂
Second quarter	14 - 12 ³ / ₈	19 ⁷ / ₈ - 17 ¹ / ₄
Third quarter	15 - 12 ⁵ / ₈	18 - 13 ⁵ / ₈
Fourth quarter	17 - 13 ¹ / ₄	14 ³ / ₄ - 12 ¹ / ₂

Directors

(Term expires 1983)

Charles F. Baird
*Chairman and
Chief Executive Officer,
Toronto, Ontario*

Robert W. Bonner, Q.C.
*Chairman of the British
Columbia Hydro and Power
Authority,
Vancouver, British Columbia*

Reva Gerstein, O.C.
*Psychologist and educator,
Toronto, Ontario*

Alexander D. Hamilton
*Former Chairman of the Board
and Chief Executive Officer,
Domtar Inc. (manufacturer of
pulp and paper, packaging
materials, construction
materials and chemicals)
Montreal, Quebec*

G. Arnold Hart, M.B.E., C.M.
*Former Chairman of the Board
and Chief Executive Officer,
Bank of Montreal
Mountain, Ontario*

Edward R. Kane
*Former President and Chief
Operating Officer, E.I. du Pont
de Nemours & Company
(producer of chemicals and
energy)
Wilmington, Delaware*

Stephen F. Keating
*Former Chairman, Honeywell
Inc. (manufacturer of
computers and control systems)
Minneapolis, Minnesota*

Donald J. Phillips
*President and Chief Operating
Officer,
Toronto, Ontario*

Donald G. Willmot
*Chairman of the Board, The
Molson Companies Limited
(brewing, retailing and
distribution)
Toronto, Ontario*

Directors

(Term expires 1984)

Harold Bridges
*Former President and
Chief Executive Officer,
Shell Oil Company
Lausanne, Switzerland*

Peter D. Curry
*Deputy Chairman, Power
Corporation of Canada (a
holding and management
corporation)
Montreal, Quebec*

Walter F. Light
*Chairman and Chief Executive
Officer, Northern Telecom
Limited (manufacturer of tele-
communications equipment)
Mississauga, Ontario*

Robert P. Luciano
*President and Chief Executive
Officer, Schering-Plough
Corporation (ethical and
proprietary drugs, health care
products, cosmetics, toiletries
and household products)
Madison, New Jersey*

Ian McDougall
*Executive Vice-President,
New York, New York*

The Rt. Hon. Lord Nelson of
Stafford
*Former Chairman of the
Board, The General Electric
Company, p.l.c.
London, England*

George T. Richardson
*President, James Richardson &
Sons, Limited (financial, grain
and management holding
company)
Winnipeg, Manitoba*

Lucien G. Rolland
*President and Chief Executive
Officer, Rolland inc.
(manufacturer and distributor
of fine papers)
Montreal, Quebec*

Board of Directors

The Board of Directors
presently consists of 17
members of whom three are
officers of the Company.
In 1982 the Board held 13
meetings.

The activities of the Board
are supported by its various
committees.

Executive Committee

The Executive Committee,
which held eight meetings
during 1982, consists of Mr.
Baird, Chairman, and Messrs.
Bridges, Curry, Hart, Phillips,
Rolland and Willmot. During
intervals between meetings of
the Board, the Executive
Committee, with certain
exceptions, has all the powers
vested in the Board.

Audit Committee

The Audit Committee, which
held seven meetings during
1982, consists of Mr. Bonner,
Chairman, and Messrs. Hart,
Kane, Keating and Light. This
committee meets with the
Company's financial
management personnel, its
internal auditors and its
independent auditors at least
four times a year to review
and appraise the Company's
financial reporting practices
and procedures, the adequacy
of the system of internal
accounting control, the
planned scope of examinations
by both auditing groups
and their findings and
recommendations.

It also reviews the
Company's financial
statements and monitors
various other internal control
policies.

Nominating Committee

The Nominating Committee,
which held two meetings
during 1982, consists of the
same Directors who comprise
the Executive Committee and
has the function of
recommending to the Board
nominees for election as
Directors.

Management Resources and Compensation Committee

The Management Resources
and Compensation Committee,
which held three meetings
during 1982, consists of Mr.
Hart, Chairman, and Messrs.
Bridges, Curry, Rolland and
Willmot. This committee
advises and consults with the
Chairman of the Board and
makes recommendations to
the Board on the
remuneration of senior
executives of the Company
and on the Company's various
incentive plans. The
committee also reviews the
management development
programs and the succession
plans relating to senior
management.

Pension Committee

The Pension Committee,
which held five meetings
during 1982, consists of Mr.
Richardson, Chairman, Dr.
Gerstein, Mr. Hamilton, Mr.
Luciano and Lord Nelson.
This committee advises the
Board regarding the financial
aspects of the pension
programs of the Company and
its subsidiaries, including
actuarial assumptions, the
adequacy of funding and the
implementation of sound
investment of pension funds.

Directors and Officers

Ashby McC. Sutherland
retired as a Director on
September 1, 1982 and retired
as a Senior Vice-President on
September 30, 1982. Mr.
Sutherland was a Senior
Vice-President and a Director
of the Company since
February 1976. He served the
Company in various positions
for 29 years.

Ian G. Austin was elected
Treasurer of the Company
effective September 1, 1982.
During 1982 Daniel Kelly
retired as a Vice-President of
Inco Metals and Frank C.
Burnet retired as a Vice-
President of the Company.



The Management Committee meets on a regularly scheduled basis. From left: Walter Curlook, Donald J. Phillips, Charles F. Baird (Chairman), John H. Page, Ian McDougall and Philip C. Jessup, Jr. (Secretary).

Corporate Reorganization

An extensive international restructuring of the corporate organization was effected during 1982, reflecting the dissolution of Inco Metals Company, the formation of Inco Alloy Products Limited in

the United Kingdom, the divestiture of Inco ElectroEnergy Corporation businesses and other actions consistent with the current and foreseeable scope of the Company's businesses.

The streamlining of the Company's management

structure reduced the number of corporate officers worldwide to 22 compared with 33 at January 1982.

As part of the restructuring, the Board of Directors elected Donald J. Phillips as Chief Operating Officer in addition to his responsibilities as

President of Inco Limited; Walter Curlook, formerly President, Inco Metals Company, as Executive Vice-President, Inco Limited; and Ian McDougall, formerly Senior Vice-President, Inco Limited, as Executive Vice-President, with increased responsibilities.

Charles F. Baird

Chairman and Chief Executive Officer

Donald J. Phillips

President and Chief Operating Officer

Walter Curlook

Executive Vice-President

Ian McDougall

Executive Vice-President

John H. Page*

President, Inco Alloy Products Company

Senior Vice-Presidents

W. Roy Aitken
Production

Vice-Presidents

Malcolm C. Bell
Process Research and Technology

John J. Moran
Planning

Principal Production Operations

William P. Clement
President, Manitoba Division

Principal Regional Officers

Kevin Belcher
President
Inco Australasia, Melbourne

Charles E. O'Neill
Technology

William A. Correll
Industrial Relations and Employee Benefits

Terrence Podolsky
Exploration and Mineral Development

James D. Guiry
President and Managing Director
Inco Indonesia

David B. Craig
President, Inco Energy Resources, Calgary

Johannes P. Schade
Marketing

Charles F. Hews
Public Affairs

Dean D. Ramstad**
Japan

Winton K. Newman
President, Ontario Division

Richard R. DeWitt
President
International Nickel, Sterling Forest, N.Y.

Comptroller
Anthony J. Sabatino

Philip C. Jessup, Jr.
General Counsel & Secretary

Donald G. Walker
Human Resources

Anthony T. Shadforth
Chairman and Managing Director
Inco Europe, London

Treasurer
Ian G. Austin

Philip E. McCarthy
Venture Capital

J. Stuart Warner
Occupational Health and Environment

*Also President
Inco United States, N.Y.

**Also General Manager
Japan Branch, Tokyo

Principal Executive Offices

1 First Canadian Place, Toronto,
Ontario, M5X 1C4
(416) 361-7511

Other Executive Offices

One New York Plaza, New York,
New York 10004, U.S.A.
(212) 742-4000

Principal Subsidiaries and Operating Units

Ontario Division

Copper Cliff, Ontario P0M 1N0

Manitoba Division

Thompson, Manitoba R8N 1P3

P.T. International Nickel Indonesia

"Wisma Antara", Jalan Merdeka
Selatan 17, Jakarta Pusat, Indonesia

The International Nickel Company,
Inc.

Inco-Sterling Forest, Suffern, New
York 10901, U.S.A.

Inco Europe Limited

Thames House, Millbank, London,
SW1P 4QF, England

Inco Alloy Products Company

Sterling Forest, Suffern, New York
10901, U.S.A.

Huntington Alloys, Inc.

Huntington, West Virginia 25720,
U.S.A.

Inco Alloy Products Limited

Wiggin Street, Birmingham,
B16 0AJ, England

Wiggin Alloys Limited

Holmer Road, Hereford HR4 9SL,
England

Daniel Doncasters

Wiggin Street, Birmingham,
B16 0AJ, England

Turbo Products International, Inc.

Pond Meadow Road
Ivoryton, Connecticut 06442, U.S.A.

Canadian Alloys Division

Walden Industrial Park, Lively,
Ontario P0M 2E0

Daido Inco Alloys Ltd. (50% owned)

Daido Building,
7-13 Nishi-Shinbashi, 1-chome,
Minato-ku, Tokyo 105, Japan

Regional Subsidiaries and Operating Unit

Inco United States, Inc.

One New York Plaza, New York,
New York 10004, U.S.A.

Inco Europe Limited

Thames House, Millbank, London,
SW1P 4QF, England

Inco Limited, Japan Branch

Shin Muromachi Building,
2-4-7, Nihonbashi-Muromachi
Chuo-ku, Tokyo 103, Japan

Inco Australasia Limited

14 Queen's Road, Melbourne,
Victoria, Australia 3004

Other Subsidiaries Include

Canada

Canadian Nickel Company Limited,
Toronto

Inco Alloys Canada Limited, Toronto

Inco Energy Resources Limited,
Calgary

International Sales Limited, Toronto

United States

The International Metals

Reclamation Company, Inc.

Ellwood City, Pennsylvania

Pittsburgh Pacific Processing Co.,
Pittsburgh

American Copper & Nickel

Company, Inc., Denver

Europe

International Nickel B.V., The Hague

International Nickel G.m.b.H.,

Düsseldorf

International Nickel France S.A.,

Paris

International Nickel Iberica Limited,
Madrid

International Nickel Italia Srl, Milan

International Nickel Océanie S.A.,

Paris

Wiggin Alloys G.m.b.H., Düsseldorf

Wiggin Alloys S.A., Brussels

Central and South America

Exmibal, Guatemala City

International Nickel do Brasil

Comercial Ltda., São Paulo

Mineração Serras do Sul Ltda.,
Rio de Janeiro

Asia

International Nickel Japan Ltd.,
Tokyo

Inco Gulf, E.C., Bahrain

International Nickel Services (U.K.)
Limited, Bombay - Indian liaison
office

Counsel

Osler, Hoskin & Harcourt, Toronto
Sullivan & Cromwell, New York

Auditors

Price Waterhouse,
Toronto and New York

Transfer Agents and Registrars for the Common Shares

Canada Permanent Trust Company,
Toronto and Calgary

The Royal Trust Company,
Montreal and London

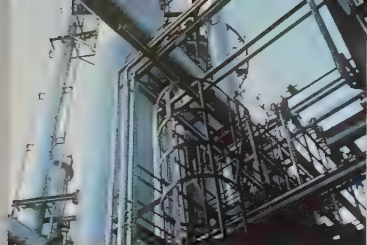
Morgan Guaranty Trust Company
of New York,
New York

Transfer Agent and Registrar for the 7.85% Preferred Shares Series B

Canada Permanent Trust Company,
Toronto, Calgary and Montreal

10-K Report Available

A copy of the 1982 Annual Report on Form 10-K to be filed with the United States Securities and Exchange Commission may be obtained from the Company upon request. Requests should be addressed to The Secretary, Inco Limited at 1 First Canadian Place, Toronto, Ontario M5X 1C4 or at One New York Plaza, New York, New York 10004.



Toward the Future

The many far reaching and difficult decisions taken during the past two years are vital to the Company's future. They respond to realities of today's depressed metals and alloy products markets, as well as increased competition from government-supported nickel producers. They also take into account the Company's ongoing responsibilities to its shareholders, employees and the communities in which it operates. Inco's basic strengths – ore reserves, experienced people and advanced technology – remain intact.







Charles F. Baird
Chairman and
Chief Executive Officer

March 5, 1982

Dear Shareholder:

The Annual Meeting of Shareholders will be held at the Royal York Hotel, in Toronto, Ontario on Wednesday, April 21, 1982 at 11:00 a.m. The formal Notice of Meeting and Proxy Circular and Statement, which are contained in the following pages, outline the actions to be taken by Shareholders at the meeting.

I sincerely hope that you will be able to attend this meeting. However, if you are not planning to be present, I would appreciate your taking a few minutes now to complete, sign and return your proxy in the enclosed postage-paid envelope. Regardless of the number of shares you may own, your vote is important.

Thank you for your continued interest in our Company.

Yours very truly,

A handwritten signature in cursive script that reads 'Charles F. Baird'.

INCO LIMITED
1 First Canadian Place
Toronto, Ontario M5X 1C4



NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the Annual Meeting of Shareholders of INCO LIMITED will be held in the Ballroom, Convention Floor, Royal York Hotel, Toronto, Ontario, on Wednesday, April 21, 1982, at the hour of eleven o'clock in the morning, for the purposes of:

- (a) receiving the report of the Directors and financial statements for 1981;
- (b) electing Directors for the term expiring in 1984;
- (c) appointing Auditors of the Company; and
- (d) transacting such other business as may properly be brought before the meeting.

Only holders of record at the close of business on March 22, 1982 of Common Shares and 7.85% Preferred Shares Series B will be entitled to vote at the meeting or adjournments thereof, except that a person who has acquired shares subsequent to March 22, 1982 will be entitled to vote such shares upon making a written request to that effect by April 12, 1982 to the Secretary of the Company and establishing that such person owns such shares.

If you cannot be present in person, **please complete, sign and return the accompanying form of proxy** to the Company in the enclosed envelope, postage prepaid.

By Order of the Board of Directors,

P. C. Jessup, Jr.
Vice-President, General Counsel & Secretary

Dated: March 5, 1982

PROXY CIRCULAR AND STATEMENT

This Proxy Circular and Statement is furnished in connection with **the solicitation by the Board of Directors of INCO LIMITED of proxies** to be used at the Annual Meeting of Shareholders of the Company, to be held on Wednesday, April 21, 1982, in the Ballroom, Convention Floor, Royal York Hotel, Toronto, Ontario, for the purposes set forth in the foregoing Notice of Meeting. Commencing on March 5, 1982, this Proxy Circular and Statement and a form of proxy will be mailed to Shareholders of record as of February 11, 1982 and also to those who thereafter become Shareholders of record up to and including March 22, 1982. The Company has its principal executive offices at 1 First Canadian Place, Toronto, Ontario M5X 1C4 and also has executive offices at One New York Plaza, New York, New York 10004.

If the accompanying form of proxy is executed and returned, the proxy may nevertheless be revoked pursuant to subsection 142(4) of the Canada Business Corporations Act by an instrument in writing executed by the Shareholder or his attorney authorized in writing, as well as in any other manner permitted by law. Any such instrument revoking a proxy must either be deposited at one of the above executive offices of the Company no later than the close of business on the last business day preceding the date of the meeting or any adjournment thereof, or be deposited with the chairman of the meeting on the date of the meeting or any adjournment thereof. If the instrument of revocation is deposited with the chairman on the date of the meeting or any adjournment thereof, the instrument will not be effective with respect to any matter on which a vote has already been cast pursuant to the proxy.

Only holders of record at the close of business on March 22, 1982 of Common Shares and 7.85% Preferred Shares Series B ("Series B Preferred Shares") will be entitled to vote at the meeting or adjournments thereof, except that a person who has acquired shares subsequent to March 22, 1982 will be entitled to vote such shares upon making a written request to that effect by April 12, 1982 to the Secretary of the Company at one of the executive offices referred to above and establishing that such person owns such shares. As of February 16, 1982, 76,845,217 Common Shares and 4,484,256 Series B Preferred Shares are outstanding, each of which carries one vote. The number of Common Shares does not include fractional share interests (aggregating 5,342 Common Shares) which cannot be voted.

The form of proxy will include any whole Common Shares which are held by the Company on a Shareholder's behalf under the Company's Optional Stock Dividend Program and Share Purchase Plan.

All dollar amounts in this Proxy Circular and Statement are stated in United States dollars, unless otherwise indicated.

ELECTION OF DIRECTORS

The Company's Board of Directors presently has 18 members. At the meeting 9 Directors are to be elected, each to hold office for the term expiring at the Annual Meeting in 1984. Unless the Shareholder signing the accompanying form of proxy specifies that the proxy be withheld from voting on the election of all Directors or except to the extent that such Shareholder specifies that authority to vote for any individual nominee be withheld, the persons named in the form of proxy intend to vote the proxy for the election of the following persons, all of whom are Directors whose terms of office expire at the meeting: Harold Bridges, Peter D. Curry, Walter F. Light, Robert P. Luciano, Ian McDougall, Lord Nelson, George T. Richardson, Lucien G. Rolland and Ashby McC. Sutherland. Each of the nominees has been recommended to the Board of Directors by the Nominating Committee for election by the Shareholders.

The terms of office of the other 9 Directors who are not nominees for election expire at the Annual Meeting in 1983.

The Board of Directors is not aware of any circumstances that will cause any nominee to be unable to serve as a Director. However, should a nominee be unable to serve, the persons named in the accompanying form of proxy reserve the right to vote for another person of their choice in such nominee's place (unless the Shareholder signing the form of proxy has specified that the proxy be withheld from voting on the election of all Directors).

The information given herein as to shares owned by Directors of the Company refers to Common Shares of the Company beneficially owned by such Directors as of February 16, 1982, other than those subject to options exercisable within 60 days of that date. Each Director has sole voting or investment power as to shares owned. Information as to beneficial ownership, not being within the knowledge of the Company, has been furnished by the respective Directors and Officers. The information as to beneficial ownership given herein does not include 27 Common Shares beneficially owned by members of Mr. Sutherland's family.

As of February 16, 1982, 174,772 Common Shares, or one-quarter of one percent of the outstanding Common Shares of the Company, and 178,152 shares subject to options exercisable within 60 days are beneficially owned by the Directors and Officers as a group; and no Director or Officer beneficially owns any Preferred Shares.

As of February 16, 1982, Directors who are also Officers of the Company hold options exercisable within 60 days to purchase the following numbers of Common Shares: Mr. Baird 25,124; Mr. Phillips 14,125; Mr. McDougall 8,250 and Mr. Sutherland 11,750.

NOMINEES FOR ELECTION



HAROLD BRIDGES

Director since 1978 Shares owned — 2,140

Mr. Bridges, 65, retired as President, Chief Executive Officer and Director of Shell Oil Company in 1976. He had been associated with the Royal Dutch/Shell group of companies working in their international operations in many countries since 1937. He became President and Chief Executive Officer of Shell Canada Limited in 1969. In 1970, he moved to the United States and became President and Chief Executive Officer of Shell Oil Company in July 1971. He is also a director of Alaska Interstate Company and Geosource Inc.

1981 Board and Committee attendance: 75%



PETER D. CURRY

Director since 1970 Shares owned — 2,013

Mr. Curry, 69, is Deputy Chairman of Power Corporation of Canada, a holding and management corporation which he joined in 1974. He was President until January 31, 1979. His other directorships include Ford Motor Company of Canada, Limited, Cablecasting Limited, The Investors Group, The Great-West Life Assurance Company, Montreal Trust Company, CAE Industries Ltd. and Consolidated-Bathurst Inc.

1981 Board and Committee attendance: 85%



WALTER F. LIGHT

Director since 1980 Shares owned — 200

Mr. Light, 58, is President, Chief Executive Officer and a Director of Northern Telecom Limited, a manufacturer of telecommunications equipment. Before joining that company in 1974, he was Executive Vice-President (Operations) of Bell Canada from 1970 to 1974, joining that company in 1949. His other directorships include Bell Canada, Genstar Limited, Hudson's Bay Oil and Gas Company Limited, The Royal Bank of Canada and The Procter & Gamble Company.

1981 Board and Committee attendance: 88%



ROBERT P. LUCIANO

Director since 1980 Shares owned — 100

Mr. Luciano, 48, is President, Chief Executive Officer and a Director of Schering-Plough Corporation, a company which is involved in the manufacture and sale of ethical and proprietary drugs, other health care products, cosmetics, toiletries and household products. He joined that company in 1978 as Senior Vice-President of Administration and shortly thereafter became Executive Vice-President — Pharmaceutical Operations which office he held until October 1, 1980 when he became President and Chief Operating Officer. He assumed his present position on February 1, 1982. Prior to his joining that company, he was President of the Lederle Laboratories Division of American Cyanamid Company from February 1977. He had previously been President of the Pharmaceutical Division of Ciba-Geigy Corporation from January 1975. His other directorships include The Summit Bancorporation, New Jersey Manufacturers Insurance Company and C. R. Bard, Inc.

1981 Board and Committee attendance: 69%

**IAN McDOUGALL**

Director since 1977 Shares owned — 3,681

Mr. McDougall, 51, is a Senior Vice-President of the Company and has corporate responsibility for finance and certain administrative functions. He joined Inco in 1947. He became Deputy Comptroller of the Company in 1970, Comptroller in 1973 and Senior Vice-President in 1977. He is also a director of The Bank of Nova Scotia.

1981 Board attendance: 100%

**THE RT. HON. LORD NELSON OF STAFFORD**

Director since 1975 Shares owned — 322

Lord Nelson, 65, is Chairman of the Board of The General Electric Company, p.l.c., England. He was Chairman and Chief Executive Officer of The English Electric Company from 1962 to 1968. When that company merged with The General Electric Company Limited in 1968, he became its Chairman. He served as a Director of Inco from February 1966 to January 1974. His other directorships include the Bank of England.

1981 Board and Committee attendance: 69%

**GEORGE T. RICHARDSON**

Director since 1968 Shares owned — 136,888

Mr. Richardson, 57, is President of James Richardson & Sons, Limited, a financial, grain and management holding company. He has been associated with that firm since 1946 and has served as President since 1966. He is Senior Partner of Richardson Securities of Canada. His other directorships include Canadian Imperial Bank of Commerce and Hudson's Bay Oil and Gas Company Limited and he is also Governor of Hudson's Bay Company.

1981 Board and Committee attendance: 100%

**LUCIEN G. ROLLAND**

Director since 1967 Shares owned — 250

Mr. Rolland, 65, is President, Chief Executive Officer and a Director of Rolland inc., manufacturer and wholesale distributor of fine papers. He joined that company in 1942 and became President in 1952. His other directorships include Bank of Montreal, Bell Canada, Canadian Fund, Inc., Canadian Pacific Limited and Stelco Inc.

1981 Board and Committee attendance: 85%

**ASHBY McC. SUTHERLAND**

Director since 1976 Shares owned — 1,049

Mr. Sutherland, 60, is a Senior Vice-President of the Company and has corporate responsibility for the public affairs, occupational health and environment, employee relations and legal functions and the Office of the Secretary. He joined Inco in 1953, and was Assistant to the Chairman from 1974 to February 1976 when he became Senior Vice-President. He was a Vice-President of the Company from 1970, Chief Legal Officer from 1972 and Secretary from 1973.

1981 Board attendance: 100%

**DIRECTORS WHOSE TERMS OF OFFICE EXPIRE
AT THE ANNUAL MEETING IN 1983****CHARLES F. BAIRD**

Director since 1974 Shares owned — 7,070

Mr. Baird, 59, is Chairman and Chief Executive Officer of the Company. Prior to joining Inco in 1969, he was Under Secretary of the United States Navy and previously was with Exxon Corporation for 17 years. He was Vice-President — Finance of Inco from 1969 to 1972, Senior Vice-President from 1972 to 1975, and Vice-Chairman of the Board from 1976 to April 1977 when he became President, which office he held until April 1980 when he became Chairman and Chief Executive Officer. He is also a director of Bank of Montreal and Aetna Life and Casualty Company and Chairman of the Board of Trustees of Bucknell University.

1981 Board and Committee attendance: 100%

**ROBERT W. BONNER, Q.C.**

Director since 1973 Shares owned — 210

Mr. Bonner, 61, is Chairman of the British Columbia Hydro and Power Authority. He was Attorney-General of the Province of British Columbia from 1952 to 1968. He subsequently was Chairman of the Board of MacMillan Bloedel Limited, being associated with that company from 1968 to 1974. He is also a director of Montreal Trust Company and SCOR Reinsurance Company of Canada.

1981 Board and Committee attendance: 88%

**REVA GERSTEIN, O.C.**

Director since 1976 Shares owned — 250

Dr. Gerstein, 64, is a consultant and educator in Toronto. She has been engaged in various advisory activities for business and governmental groups for a number of years. Her other directorships include Avon Canada Inc., Maritime Life Assurance Company and McGraw-Hill Ryerson Limited.

1981 Board and Committee attendance: 100%

**ALEXANDER D. HAMILTON**

Director since 1981 Shares owned — 500

Mr. Hamilton, 64, is Chairman of the Board and Chief Executive Officer of Domtar Inc., a manufacturer of pulp and paper, packaging materials, construction materials and chemicals. He has held this position since 1981, prior to which he was President and Chief Executive Officer of that company. Prior to 1974, he was President of Domtar Pulp & Paper Products, joining that company in 1968. His other directorships include Canadian Imperial Bank of Commerce, Total Petroleum (North America) Ltd., Dominion Textile Inc. and Drummond McCall Inc.

1981 Board and Committee attendance: 67%

**G. ARNOLD HART, M.B.E., C.M.**

Director since 1961 Shares owned — 500

Mr. Hart, 68, is former Chairman of the Board and Chief Executive Officer of Bank of Montreal. He joined the bank in 1931, was President from 1959 to 1967, Chief Executive Officer from 1959 to December 1971 and from December 1972 to 1974 and Chairman of the Board from 1964 to 1975 and retired as Chairman of the Executive Committee in April 1977. His other directorships include Bank of Montreal, Canadian Fund, Inc., Canadian Pacific Limited, Sun Life Assurance Company of Canada and Uniroyal, Inc.

1981 Board and Committee attendance: 97%

**EDWARD R. KANE**

Director since 1981 Shares owned — 200

Dr. Kane, 63, retired at year end 1979 as President and Chief Operating Officer of E. I. du Pont de Nemours and Company, producers of chemicals and energy. He has been associated with that company since 1943 and became President and Chief Operating Officer in 1973 and prior to that had been Senior Vice President from 1969. His other directorships include E. I. du Pont de Nemours and Company, The Mead Corporation, J. P. Morgan & Co. Incorporated, Morgan Guaranty Trust Company of New York and Texas Instruments, Inc.

1981 Board and Committee attendance: 83%

**STEPHEN F. KEATING**

Director since 1981 Shares owned — 255

Mr. Keating, 63, retired in June 1980 as Vice Chairman of Honeywell Inc., a manufacturer of computers and control systems. He was elected to that position in 1978 and prior to that had been Chairman and Chief Executive Officer from 1974. He has been associated with that company since 1948. His other directorships include Donaldson Company, Inc., Economics Laboratory, Inc., General Mills, Inc., Honeywell Inc., PPG Industries, Inc. and The Toro Company.

1981 Board and Committee attendance: 89%



DONALD J. PHILLIPS

Director since 1980 Shares owned — 2,074

Mr. Phillips, 52, is President of the Company. He joined Inco in 1956 and was Chairman and Chief Executive Officer of Inco Europe Limited from 1972 until April 1977 when he became President and Chief Operating Officer of Inco Metals Company, an unincorporated unit of the Company. He was President and Chief Executive Officer of Inco Metals Company from June 1979 until April 1980 when he became President of the Company. He is also a director of The Toronto-Dominion Bank and American Standard Inc.

1981 Board and Committee attendance: 92%



DONALD G. WILLMOT

Director since 1973 Shares owned — 2,663

Mr. Willmot, 65, is Chairman of the Board of The Molson Companies Limited, which is engaged in brewing, retailing and distribution. Prior to 1968 he was President of Anthes Imperial Limited which merged with Molson Breweries Limited in that year to form Molson Industries Limited. He became President and Chief Executive Officer of Molson in 1968 and Chairman in 1974. His other directorships include The Bank of Nova Scotia, Crown Life Insurance Company and Jannock Limited.

1981 Board and Committee attendance: 60%

INFORMATION REGARDING THE BOARD, BOARD COMMITTEES AND OFFICERS

Board of Directors and Executive Committee

During 1981, the Board of Directors held 12 meetings and the Executive Committee held 8 meetings.

During intervals between meetings of the Board, the Executive Committee, with certain exceptions, has all the powers vested in the Board. This Committee, which is composed of 7 Directors, has the following members: Charles F. Baird, chairman, Harold Bridges, Peter D. Curry, G. Arnold Hart, Donald J. Phillips, Lucien G. Rolland and Donald G. Willmot.

Audit Committee

The Audit Committee, established in 1941, is composed of 5 Directors, none of whom may be an employee of the Company. This Committee meets with the Company's financial management personnel, its internal auditors and its independent auditors at least 4 times a year to review and appraise the Company's financial reporting practices and procedures, the adequacy of its system of internal accounting control, the planned scope of examinations by both the internal auditors and the independent auditors and their findings and recommendations, and the non-auditing services performed by the independent auditors. It reviews the Company's financial statements, which appear in the Company's Annual Report, and monitors the results of reviews covering

employee compliance with the Company's policies on business conduct, conflicts of interest and other internal control policies. It also recommends to the Board the independent auditors to be proposed to the Shareholders for appointment at the Annual Meeting. This Committee, which held 4 meetings in 1981, has the following members: Robert W. Bonner, chairman, G. Arnold Hart, Edward R. Kane, Stephen F. Keating and Walter F. Light.

Nominating Committee

The Nominating Committee, established in 1979, recommends to the Board nominees for election as Directors. This Committee, which held 5 meetings in 1981, has the same members as the Executive Committee.

Shareholders who wish to have a person considered by the Nominating Committee for nomination at the 1983 Annual Meeting should submit the request, including biographical data regarding such person, to the Secretary of the Company.

Management Resources and Compensation Committee

The Management Resources and Compensation Committee, established in 1969, is composed of 5 Directors, none of whom may be an employee of the Company. This Committee advises and consults with the Chairman and makes recommendations to the Board on the remuneration of senior executives of the Company. It makes recommendations to the Board with respect to incentive compensation plans, including the Company's corporate achievement plans, and administers and makes recommendations for awards under the 1979 Key Employees Incentive Plan of the Company. The Committee also reviews the management development programs, the succession plans relating to senior management and the performance goals of the major units of the Company as they relate to incentive plans of each unit. This Committee, which held 10 meetings in 1981, has the following members: G. Arnold Hart, chairman, Harold Bridges, Peter D. Curry, Lucien G. Rolland and Donald G. Willmot.

Pension Committee

The Pension Committee, established in 1974, is composed of 5 Directors, none of whom may be an employee of the Company. This Committee has the function of advising the Board regarding the financial aspects of the pension programs of the Company and its subsidiaries, including actuarial assumptions, the adequacy of funding and the implementation of sound investment of pension funds. In addition, this Committee recommends to the Board the appointment of trustees and investment advisors or managers.

This Committee, which held 4 meetings in 1981, has the following members: George T. Richardson, chairman, Reva Gerstein, Alexander D. Hamilton, Robert P. Luciano and Lord Nelson.

Remuneration of Directors and Officers

The remuneration paid or payable in respect of 1981 by the Company and its subsidiaries to Directors and Officers of the Company, while serving as such, was as follows:

NATURE OF 1981 REMUNERATION						
	Directors' Fees	Salaries	1981 Incentive Compensation	Security Reserve Plans, Personal Benefits, and Dividend Equivalents (1)	Interest Accrued on Deferred Cash Awards (2)	Total (3)
REMUNERATION OF DIRECTORS (18 persons) (4) by INCO LIMITED	\$310,000	\$ —	\$ —	\$ —	\$ —	\$ 310,000
REMUNERATION OF OFFICERS (34 persons) (5) by:						
INCO LIMITED	—	3,435,000	—	285,000	36,000	3,756,000
Subsidiaries of Company	—	49,000	—	3,000	—	52,000
TOTAL TO ALL DIRECTORS AND OFFICERS (52 persons)	<u>\$310,000</u>	<u>\$3,484,000</u>	<u>\$ —</u>	<u>\$288,000</u>	<u>\$36,000</u>	<u>\$4,118,000</u>
C. F. Baird, Chairman and Chief Executive Officer	—	\$ 340,000	—	\$ 15,000	\$18,000	\$ 373,000
D. J. Phillips, President	—	234,000	—	8,000	—	242,000
I. McDougall, W. Steven and A. McC. Sutherland, Senior Vice-Presidents, W. Curlook, President of Inco Metals Company, and J. H. Page, President of Inco Alloy Products Company, in the aggregate	—	827,000	—	44,000	8,000	879,000

- (1) Includes (a) employer contributions to the Company's security reserve plans in 1981 as described on pages 14 and 15 and (b) dividend equivalents paid in 1981 to Officers in respect of share units awarded in prior years as described on page 14.
- (2) Consists of interest accrued in 1981 on awards of incentive compensation made to the respective recipients in respect of 1980 under the Company's corporate achievement plans as described on page 14. As permitted under such plans, such recipients elected to defer payment of such awards until after retirement.
- (3) Does not include employer contributions to the Company's non-contributory retirement systems. See "Retirement Systems" on page 15.
- (4) Only Directors who are not Officers.
- (5) Includes Officers named in this table. Each of the Officers of the Company received remuneration in excess of \$40,000 (Cdn.) for the year 1981.

Arrangements for Remuneration of Directors

Non-employee Directors of the Company are paid fees for serving on the Board of Directors and various Committees of the Board in accordance with standard remuneration arrangements of the Company. During 1981, each such Director received an annual fee of \$10,000 and \$500 for each Board meeting attended. Except as noted below, each such Director also received an annual fee of \$2,000 for each Committee on which such Director served and received \$500 for each Committee meeting attended. The chairman of each Committee received an additional \$1,000 for serving in that capacity.

Members of the Management Resources and Compensation Committee do not receive an attendance fee for a meeting on the same day on which the Executive Committee meets. Members of the Nominating Committee do not receive any remuneration for serving on that Committee.

Directors who are employees of the Company do not receive Directors' fees.

Incentive Plans and Other Arrangements with Officers

The 1979 Key Employees Incentive Plan (the "1979 Plan") provides for the issuance of share options and other awards of supplementary compensation. The 1979 Plan, approved by the Shareholders in 1979, succeeded the Key Employees Incentive Plan (the "1968 Plan"), approved by the Shareholders in 1968. The 1968 Plan ended on July 16, 1978, except with respect to share options and awards of supplementary compensation then outstanding. Directors as such are not eligible to participate either in the 1968 Plan or in the 1979 Plan.

No options or related share appreciation rights ("SARs") have been granted to Directors or Officers of the Company since January 1, 1981.

During 1981, Mr. Phillips and Messrs. McDougall, Steven, Sutherland, Curlook and Page, as a group, exercised options to purchase Common Shares having a net value (market value at time of exercise less exercise price) of \$4,623 and \$8,089, respectively. These amounts are not included in the table on page 12.

Information as to the exercise of previously granted options by Directors and Officers as a group during the period January 1, 1981 through February 16, 1982 is presented in the table below.

	Number of Shares Purchased	Purchase Price Per Share	Aggregate Net Value (Market Value Less Exercise Price)	Range of Market Price of Shares During Period
Directors and Officers as a Group				
First Quarter, 1981	1,513	\$15.94	\$7,696	\$18.25-\$23.63
Second Quarter, 1981	1,750	\$15.94	\$8,089	\$19.50-\$23.63
Third Quarter, 1981	—	—	—	—
Fourth Quarter, 1981	—	—	—	—
January 1, 1982 - February 16, 1982	—	—	—	—

As of December 31, 1981, the number of Common Shares subject to all unexercised options held by Directors and Officers as a group was 261,450 shares, including 183,775 shares which were subject to related SARs. Of such 261,450 Common Shares, the following were subject to unexercised options held by the following individuals: Mr. Baird: 43,000 shares, of which 35,000 shares were subject to related SARs; Mr. Phillips: 24,000 shares, of which 22,000 shares were subject to related SARs; and Messrs. McDougall, Steven, Sutherland, Curlook and Page, as a group: 73,250 shares, of which 59,250 shares were subject to related SARs.

The number of share units previously awarded under the 1968 Plan to Directors and Officers and outstanding as of December 31, 1981 was 1,055 units. Such share units generally become payable over the period 1983 to 1999 (subject to forfeiture under certain circumstances). They are paid either in Common Shares or in cash equal to the then market value of such shares, at the election of the Company. Until payment or forfeiture of share units, each recipient is entitled to receive dividend equivalents equal to the amount per share of any cash dividends paid on the Common Shares multiplied by the number of units remaining credited to the recipient's account on the record date.

Under corporate achievement plans of the Company, cash awards may be made to Officers and other employees based upon (a) measurement of the performance of the Company (or certain units thereof) against previously established goals and (b) an evaluation of each Officer's or employee's individual performance in respect of the relevant year. The financial performance of the Company is the principal factor in the determination of the level of cash awards. Recipients of such awards may elect to defer, with interest accrued annually, all or any part of any payments made under the plans until after retirement.

As indicated in the column entitled "1981 Incentive Compensation" in the table on page 12, no awards were made to Directors or Officers under corporate achievement plans of the Company in respect of 1981.

In order to encourage key employees to remain in the Company's service, each of Messrs. Baird, Phillips, McDougall, Steven, Sutherland, Curlook and Page and 4 other Officers will be entitled, in the event of discharge (except for cause) or resignation under circumstances making his resignation not wholly voluntary, to continue to receive his total compensation (including participation in certain medical, insurance and similar plans) for a limited period not exceeding 36 months, to receive payment of any outstanding incentive compensation awards and to exercise any share options held at termination of employment. Such rights are in lieu of any rights he would have had at common law and are in addition to rights he may have under other benefit plans upon termination of employment.

Security Reserve Plans

The principal security reserve plans of the Company consist of two programs. Under the first program, participating employees may elect to contribute from 1% to 6% of base pay. The employer matches a given percentage of such contributions depending upon the age and years of service of the employee. Employer contributions for participating employees increase gradually from a matching level of 50% for employees under age 40 and who have less than 15 years of service to a matching level of 100% for employees aged 62 or over or who have 37 or more years of service. In addition, participating employees with 60 months or more of contributions to the pro-

gram may contribute amounts over and above 6% of base pay, not in excess of an additional 5% of base pay. The employer does not make matching contributions with respect to such additional contributions.

The second program is limited to employees who became participants prior to July 1, 1973. Participants in this program may elect to contribute a given percentage of their base pay with the company matching 100% of such contributions. The percentage of base pay which a participant may elect to contribute depends upon the participant's age and years of service and increases from 2% for employees under age 40 and who have less than 15 years of service to 4% for employees aged 62 or over or who have 37 or more years of service.

Directors as such are not eligible to participate in the plans. The plans' funds, which are invested by professional investment managers and held by independent trustees, become distributable as to vested amounts upon retirement, death or other termination of employment, or upon discontinuance of the particular plan. Subject to various conditions, a participating employee may also make withdrawals during employment.

Retirement Systems

The amount of pension benefits payable under the Company's retirement systems to any particular employee, including an Officer, is dependent, among other factors, upon such employee's years of credited service and average final base salary and upon whether such employee's pension is pursuant to an optional form of payment providing a pension during the employee's life and after the employee's death, either in approximately the same or a lesser amount, for the life of the employee's spouse if the employee's spouse should survive such employee. The estimated aggregate cost to the Company and its subsidiaries in 1981 of all pension benefits proposed to be paid under the Company's retirement systems to the Officers as a group upon retirement at age 65 was \$262,000.

The table below, which reflects deductions in respect of governmental benefits, illustrates the amount of the maximum annual pension for an employee retiring at age 65 in 1982 who has not elected an optional form of payment. Most employees elect an optional form of payment providing a pension for a surviving spouse. Such an election substantially reduces the annual pension payable to the employee.

Average Annual Base Salary in Best Five of Last Ten Years of Credited Service	APPROXIMATE MAXIMUM ANNUAL PENSION — YEARS OF CREDITED SERVICE			
	20	30	40	50
\$ 50,000	\$ 12,300	\$ 19,100	\$ 26,400	\$ 34,000
100,000	27,300	41,600	56,400	71,500
150,000	42,300	64,100	86,400	109,000
200,000	57,300	86,600	116,400	146,500
250,000	72,300	109,100	146,400	184,000
300,000	87,300	131,600	176,400	221,500
350,000	102,300	154,100	206,400	259,000
400,000	117,300	176,600	236,400	296,500
450,000	132,300	199,100	266,400	334,000

At age 65 Messrs. Baird, Phillips, McDougall, Steven, Sutherland, Curlook and Page will have 19, 38, 48, 35, 32, 40 and 20 years of credited service, respectively. Taking into account the various factors affecting his pension entitlements and assuming his base salary continues at the rate in effect at the end of 1981, the actual pension payable at age 65 to Mr. Baird is estimated at \$127,400.

Certain Interests of Directors

As of December 31, 1981, the Company and its subsidiaries were indebted to banks of which Directors of the Company were directors, or to subsidiaries of such banks, as follows: Bank of Montreal \$60,000,000 — Messrs. Baird, Hart and Rolland; The Bank of Nova Scotia \$47,000,000 — Messrs. McDougall and Willmot; Morgan Guaranty Trust Company of New York \$15,000,000 — Mr. Kane; and The Toronto-Dominion Bank \$49,000,000 — Mr. Phillips.

Directors and Officers Liability Insurance

The Directors and Officers of the Company as a group are insured against certain liabilities pursuant to directors and officers liability insurance policies obtained by the Company. The general effect of these policies is that, if during the policy period any claims are made against Directors or Officers of the Company for a wrongful act (as defined) while acting in their capacities as Directors or Officers, the insurers will pay for loss (as defined) which the Directors or Officers shall become obligated to pay in excess of \$5,000 per occurrence, up to a limit of \$30,000,000 in a policy year.

The premium for such insurance in 1981 was \$77,100. The entire premium was paid by the Company.

APPOINTMENT OF AUDITORS

Price Waterhouse has served as Auditors of the Company since the Company's incorporation in 1916.

The persons named in the accompanying form of proxy intend to vote the proxy in favour of the appointment of Price Waterhouse to the office of Auditors of the Company for the term expiring with the Annual Meeting in 1983 at a remuneration to be approved by the Board of Directors, unless the Shareholder signing such form of proxy specifies that such proxy be voted against such appointment or be withheld from voting.

It is intended that Price Waterhouse will make an audit of the scope customarily made by it on behalf of the Company, as indicated in its report to Shareholders dated February 16, 1982 set forth on page 38 of the 1981 Annual Report of the Company.

Representatives of Price Waterhouse will attend the meeting and will have the opportunity to make a statement if they desire to do so and will respond to any appropriate questions.

ANY OTHER MATTERS WHICH MAY COME BEFORE THE MEETING

The accompanying form of proxy will confer discretionary authority upon the persons named therein with respect to any amendments to the matters set forth in the Notice of Meeting and with respect to any other matters that may properly come before the meeting.

The Board of Directors is not aware that any matters are to be presented for action at the meeting other than those specifically referred to in the Notice of Meeting. However, if any other matters properly come before the meeting, it is the intention of the persons named in the accompanying form of proxy to vote on such matters in accordance with their judgment.

On any ballot that may be called for at the meeting, all shares in respect of which the persons named in the accompanying form of proxy have been appointed to act will be voted or withheld from voting in accordance with the specification of the Shareholder signing the proxy. If no such specification is made, then the shares will be voted as stated above.

The Company will bear the cost of solicitation of proxies. Solicitation will be by mail, possibly supplemented by telephone or other personal contact by regular employees of the Company.

1983 ANNUAL MEETING OF SHAREHOLDERS

Shareholder proposals must be received by January 20, 1983 to be considered for inclusion in the Proxy Circular and Statement and form of proxy for the 1983 Annual Meeting of Shareholders, which is expected to be held on April 20, 1983.

February 16, 1982

The Board of Directors has approved in substance the contents of this Proxy Circular and Statement and also its mailing to Shareholders.



Vice-President, General Counsel & Secretary



**NOTICE OF
ANNUAL MEETING
OF SHAREHOLDERS**

APRIL 21, 1982

**PROXY CIRCULAR
AND STATEMENT**

INCO LIMITED

To be held at 11:00 a.m.
Wednesday, April 21, 1982
Ballroom, Convention Floor, Royal York Hotel
Toronto, Ontario



Charles F. Baird
Chairman and
Chief Executive Officer

March 4, 1983

Dear Shareholder:

The Annual Meeting of Shareholders will be held at the Royal York Hotel in Toronto, Ontario on Wednesday, April 20, 1983 at 11:00 a.m. The formal Notice of Meeting and Proxy Circular and Statement, which are contained in the following pages, outline the actions to be taken by Shareholders at the meeting.

I sincerely hope that you will be able to attend this meeting. However, if you are not planning to be present, I would appreciate your taking a few minutes now to complete, sign and return your proxy in the enclosed postage-paid envelope. Regardless of the number of shares you may own, your vote is important.

Thank you for your continued interest in our Company.

Yours very truly,

A handwritten signature in dark ink, reading "Charles F. Baird". The signature is written in a cursive, flowing style.

Inco Limited
1 First Canadian Place
Toronto, Ontario M5X 1C4



NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the Annual Meeting of Shareholders of INCO LIMITED will be held in the Ballroom, Convention Floor, Royal York Hotel, Toronto, Ontario, on Wednesday, April 20, 1983 at the hour of eleven o'clock in the morning, for the purposes of:

- (a) receiving the report of the Directors and financial statements for 1982;
- (b) electing Directors for the term expiring in 1985;
- (c) appointing Auditors of the Company;
- (d) considering a Shareholder proposal respecting pollution abatement, which proposal is opposed by the Board of Directors of the Company; and
- (e) transacting such other business as may properly be brought before the meeting.

Only holders of record at the close of business on March 21, 1983 of Common Shares and 7.85% Preferred Shares Series B will be entitled to vote at the meeting or adjournments thereof, except that a person who has acquired shares subsequent to March 21, 1983 will be entitled to vote such shares upon making a written request to that effect by April 11, 1983 to the Secretary of the Company and establishing that such person owns such shares.

If you cannot be present in person, **please complete, sign and return the accompanying form of proxy** to the Company in the enclosed envelope, postage prepaid.

By Order of the Board of Directors,

A handwritten signature in dark ink, appearing to read 'P. C. Jessup, Jr.'.

P. C. Jessup, Jr.
Vice-President, General Counsel & Secretary

Dated: March 4, 1983

PROXY CIRCULAR AND STATEMENT

This Proxy Circular and Statement is furnished in connection with **the solicitation by the Board of Directors of INCO LIMITED of proxies** to be used at the Annual Meeting of Shareholders of the Company, to be held on Wednesday, April 20, 1983, in the Ballroom, Convention Floor, Royal York Hotel, Toronto, Ontario, for the purposes set forth in the foregoing Notice of Meeting. Commencing on March 4, 1983 this Proxy Circular and Statement and a form of proxy will be mailed to Shareholders of record as of February 17, 1983 and also to those who thereafter become Shareholders of record up to and including March 21, 1983. The Company has its principal executive offices at 1 First Canadian Place, Toronto, Ontario M5X 1C4 and also has executive offices at One New York Plaza, New York, New York 10004.

If the accompanying form of proxy is executed and returned, the proxy may nevertheless be revoked pursuant to subsection 142(4) of the Canada Business Corporations Act by an instrument in writing executed by the Shareholder or his attorney authorized in writing, as well as in any other manner permitted by law. Any such instrument revoking a proxy must either be deposited at one of the above executive offices of the Company no later than the close of business on the last business day preceding the date of the meeting or any adjournment thereof, or be deposited with the chairman of the meeting on the date of the meeting or any adjournment thereof. If the instrument of revocation is deposited with the chairman on the date of the meeting or any adjournment thereof, the instrument will not be effective with respect to any matter on which a vote has already been cast pursuant to the proxy.

Only holders of record at the close of business on March 21, 1983 of Common Shares and 7.85% Preferred Shares Series B ("Series B Preferred Shares") will be entitled to vote at the meeting or adjournments thereof, except that a person who has acquired shares subsequent to March 21, 1983 will be entitled to vote such shares upon making a written request to that effect by April 11, 1983 to the Secretary of the Company at one of the executive offices referred to above and establishing that such person owns such shares. As of February 17, 1983, 90,337,008 Common Shares and 4,354,141 Series B Preferred Shares are outstanding, each of which carries one vote. Such number of Common Shares does not include fractional share interests (aggregating 5,395 Common Shares) which cannot be voted. In addition, as of February 17, 1983, there were 3,449,970 share purchase warrants outstanding, none of which can be voted. Each share purchase warrant entitles the holder to purchase one Common Share at \$16.00 (Cdn.) or, in the case of warrants surrendered for exercise outside Canada, at the U.S. dollar equivalent thereof. The warrants expire on August 20, 1985.

The form of proxy will include any whole Common Shares which are held by the Company on a Shareholder's behalf under the Company's Optional Stock Dividend Program and Share Purchase Plan.

All dollar amounts in this Proxy Circular and Statement are stated in United States dollars, unless otherwise indicated.

ELECTION OF DIRECTORS

The Company's Board of Directors presently has 17 members. At the meeting 9 Directors are to be elected, each to hold office for the term expiring at the Annual Meeting in 1985. Unless the Shareholder signing the accompanying form of proxy specifies that the proxy be withheld from voting on the election of all Directors or except to the extent that such Shareholder specifies that authority to vote for any individual nominee be withheld, the persons named in the form of proxy intend to vote the proxy for the election of the following persons, all of whom are Directors whose terms of office expire at the meeting: Charles F. Baird, Robert W. Bonner, Reva Gerstein, Alexander D. Hamilton, G. Arnold Hart, Edward R. Kane, Stephen F. Keating, Donald J. Phillips and Donald G. Willmot. Each of the nominees has been recommended to the Board of Directors by the Nominating Committee for election by the Shareholders.

The terms of office of the other 8 Directors who are not nominees for election expire at the Annual Meeting in 1984.

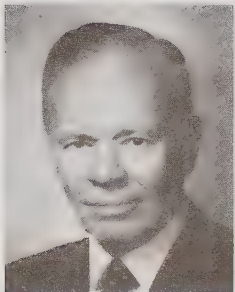
The Board of Directors is not aware of any circumstances that will cause any nominee to be unable to serve as a Director. However, should a nominee be unable to serve, the persons named in the accompanying form of proxy reserve the right to vote for another person of their choice in such nominee's place (unless the Shareholder signing the form of proxy has specified that the proxy be withheld from voting on the election of all Directors).

The information given herein as to shares owned by Directors of the Company refers to Common Shares of the Company beneficially owned by such Directors as of February 17, 1983, other than those subject to options or warrants exercisable within 60 days of that date. Each Director has sole voting or investment power as to shares owned. Information as to beneficial ownership, not being within the knowledge of the Company, has been furnished by the respective Directors and Officers.

As of February 17, 1983, 172,198 Common Shares, or less than one-quarter of one per cent of the outstanding Common Shares of the Company, and 167,337 shares subject to options or warrants exercisable within 60 days are beneficially owned by the Directors and Officers as a group; and no Director or Officer beneficially owns any Preferred Shares.

As of February 17, 1983, Directors who are also Officers of the Company hold options or warrants exercisable within 60 days to purchase the following numbers of Common Shares: Mr. Baird 33,500; Mr. Phillips 19,500 and Mr. McDougall 11,125.

NOMINEES FOR ELECTION

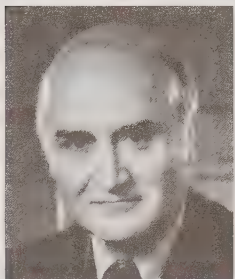


CHARLES F. BAIRD

Director since 1974 Shares owned — 7,217

Mr. Baird, 60, is Chairman and Chief Executive Officer of the Company. Prior to joining Inco in 1969, he was Under Secretary of the United States Navy and previously was with Exxon Corporation for 17 years. He was Vice-President — Finance of Inco from 1969 to 1972, Senior Vice-President from 1972 to 1975, Vice-Chairman of the Board from 1976 to 1977 when he became President, which office he held until 1980 when he became Chairman and Chief Executive Officer. He is also a director of Bank of Montreal, Aetna Life and Casualty Company and ICI Americas, Inc.

1982 Board and Committee attendance: 100%



ROBERT W. BONNER, Q.C.

Director since 1973 Shares owned — 210

Mr. Bonner, 62, is Chairman of the British Columbia Hydro and Power Authority. He was Attorney-General of the Province of British Columbia from 1952 to 1968. He subsequently was Chairman of the Board of Macmillan Bloedel Limited, being associated with that company from 1968 to 1974. He is also a director of Montreal Trust Company, SCOR Reinsurance Company of Canada and Terramar Resource Corporation.

1982 Board and Committee attendance: 100%



REVA GERSTEIN, O.C.

Director since 1976 Shares owned — 250

Dr. Gerstein, 65, is a psychologist and educator in Toronto. She has been engaged in various advisory activities for business and governmental groups for a number of years. Her other directorships include Avon Canada Inc., Maritime Life Assurance Company and McGraw-Hill Ryerson Limited.

1982 Board and Committee attendance: 89%



ALEXANDER D. HAMILTON

Director since 1981 Shares owned — 500

Mr. Hamilton, 65, retired in 1982 as Chairman, Chief Executive Officer and Director of Domtar Inc., a manufacturer of pulp and paper, packaging materials, construction materials and chemicals. He had held that position since 1981, prior to which he was President and Chief Executive Officer of that company. Prior to 1974, he was President of Domtar Pulp & Paper Products, joining that company in 1968. His other directorships include Canadian Imperial Bank of Commerce, Total Petroleum (North America) Ltd., Dominion Textile Inc. and Drummond McCall Inc.

1982 Board and Committee attendance: 94%



G. ARNOLD HART, M.B.E., C.M.

Director since 1961 Shares owned — 700

Mr. Hart, 69, is former Chairman of the Board and Chief Executive Officer of Bank of Montreal. He joined the bank in 1931, was President from 1959 to 1967, Chief Executive Officer from 1959 to 1971 and from 1972 to 1974 and Chairman of the Board from 1964 to 1975 and retired as Chairman of the Executive Committee in 1977. His other directorships include Bank of Montreal, Canadian Fund, Inc., Canadian Pacific Limited, Sun Life Assurance Company of Canada and Uniroyal, Inc.

1982 Board and Committee attendance: 87%



EDWARD R. KANE

Director since 1981 Shares owned — 200

Dr. Kane, 64, retired at year-end 1979 as President and Chief Operating Officer of E. I. duPont de Nemours & Company, producers of chemicals and energy. He has been associated with that company since 1943 and became President and Chief Operating Officer in 1973 and prior to that had been Senior Vice President from 1969. His other directorships include E. I. duPont de Nemours & Company, The Mead Corporation, J. P. Morgan & Co. Incorporated, Morgan Guaranty Trust Company of New York and Texas Instruments, Inc.

1982 Board and Committee attendance: 95%



STEPHEN F. KEATING

Director since 1981 Shares owned — 261

Mr. Keating, 64, retired in 1980 as Vice Chairman of Honeywell Inc., a manufacturer of computers and control systems. He was elected to that position in 1978 and prior to that had been Chairman and Chief Executive Officer from 1974. He has been associated with that company since 1948. His other directorships include Donaldson Company, Inc., General Mills Inc., Honeywell Inc., PPG Industries, Inc. and The Toro Company.

1982 Board and Committee attendance: 61%



DONALD J. PHILLIPS

Director since 1980 Shares owned — 4,139

Mr. Phillips, 53, is President and Chief Operating Officer of the Company. He joined Inco in 1956 and was Chairman and Chief Executive Officer of Inco Europe Limited from 1972 until 1977 when he became President and Chief Operating Officer of Inco Metals Company, a former unit of the Company. He was President and Chief Executive Officer of Inco Metals Company from 1979 to 1980 when he became President of the Company, which office he held until 1982 when he became President and Chief Operating Officer. He is also a director of The Toronto-Dominion Bank and American Standard Inc.

1982 Board and Committee attendance: 100%

**DONALD G. WILLMOT**

Director since 1973 Shares owned — 2,708

Mr. Willmot, 66, is Chairman of the Board of The Molson Companies Limited, which is engaged in brewing, retailing and distribution. Prior to 1968 he was President of Anthes Imperial Limited which merged with Molson Breweries Limited in that year to form Molson Industries Limited. He became President and Chief Executive Officer of Molson in 1968 and Chairman in 1974. His other directorships include The Bank of Nova Scotia, Crown Life Insurance Company and Jannock Limited.

1982 Board and Committee attendance: 88%

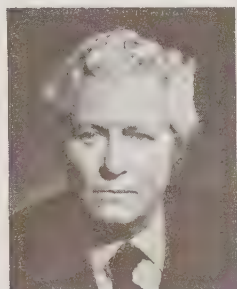
DIRECTORS WHOSE TERMS OF OFFICE EXPIRE AT THE ANNUAL MEETING IN 1984

**HAROLD BRIDGES**

Director since 1978 Shares owned — 2,185

Mr. Bridges, 66, retired as President, Chief Executive Officer and Director of Shell Oil Company in 1976. He had been associated with the Royal Dutch/Shell group of companies working in their international operations in many countries since 1937. He became President and Chief Executive Officer of Shell Canada Limited in 1969. In 1970, he moved to the United States and became President and Chief Executive Officer of Shell Oil Company in 1971. He is also a director of Aetna Life and Casualty Company, Enstar Corporation and Geosource Inc.

1982 Board and Committee attendance: 59%

**PETER D. CURRY**

Director since 1970 Shares owned — 2,013

Mr. Curry, 70, is Deputy Chairman of Power Corporation of Canada, a holding and management corporation, which he joined in 1974. He was President until 1979. His other directorships include Ford Motor Company of Canada, Limited, Cablecasting Limited, The Investors Group, The Great-West Life Assurance Company, CAE Industries Ltd. and Consolidated-Bathurst Inc.

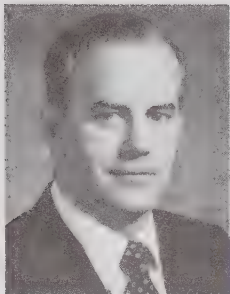
1982 Board and Committee attendance: 81%

**WALTER F. LIGHT**

Director since 1980 Shares owned — 200

Mr. Light, 59, is Chairman, Chief Executive Officer and a Director of Northern Telecom Limited, a manufacturer of telecommunications equipment. Before joining that company in 1974, he was Executive Vice-President (Operations) of Bell Canada from 1970 to 1974, joining that company in 1949. His other directorships include Bell Canada, Genstar Corporation, The Royal Bank of Canada and The Procter & Gamble Company.

1982 Board and Committee attendance: 90%

**ROBERT P. LUCIANO**

Director since 1980 Shares owned — 100

Mr. Luciano, 49, is President, Chief Executive Officer and a Director of Schering-Plough Corporation, a company which is involved in the manufacture and sale of ethical and proprietary drugs, other health care products, cosmetics, toiletries and household products. He joined that company in 1978 as Senior Vice-President of Administration and shortly thereafter became Executive Vice-President — Pharmaceutical Operations which office he held until 1980 when he became President and Chief Operating Officer. He assumed his present position in 1982. His other directorships include C. R. Bard, Inc., The Bank of New York Company, Inc. and the National Association of Manufacturers.

1982 Board and Committee attendance: 83%

**IAN McDOUGALL**

Director since 1977 Shares owned — 3,757

Mr. McDougall, 52, is an Executive Vice-President of the Company and has corporate responsibility for finance, employee relations, and certain administrative functions. He joined Inco in 1947. He became Deputy Comptroller of the Company in 1970, Comptroller in 1973, Senior Vice-President in 1977 and Executive Vice-President in 1982. He is also a director of The Bank of Nova Scotia.

1982 Board attendance: 100%

**THE RT. HON. LORD NELSON OF STAFFORD** Director since 1975 Shares owned — 329

Lord Nelson, 66, is a director of The General Electric Company p.l.c., England, of which company he retired as Chairman of the Board in February 1983. He became Chairman in 1968, when this company merged with The English Electric Company, of which he was Chairman and Chief Executive from 1962 to 1968. His other directorships include the Bank of England and he is Chairman of Royal Worcester p.l.c. He previously served as a director of INCO from 1966-1974.

1982 Board and Committee attendance: 50%

**GEORGE T. RICHARDSON**

Director since 1968 Shares owned — 139,734

Mr. Richardson, 58, is President of James Richardson & Sons, Limited, a financial, grain and management holding company. He has been associated with that firm since 1946 and has served as President since 1966. He is Chairman of Richardson Greenshields of Canada, Limited. He is also a director of Canadian Imperial Bank of Commerce and Hudson's Bay Company.

1982 Board and Committee attendance: 100%

**LUCIEN G. ROLLAND**

Director since 1967 Shares owned — 250

Mr. Rolland, 66, is President, Chief Executive Officer and a Director of Rolland inc., manufacturer and distributor of fine papers. He joined that company in 1942 and became President in 1952. He is also Chairman of the Board and Director of Philips Canada Ltd. His other directorships include Bank of Montreal, Bell Canada, Canadian Fund, Inc., Canadian Pacific Limited and Stelco Inc.

1982 Board and Committee attendance: 90%

INFORMATION REGARDING THE BOARD, BOARD COMMITTEES AND OFFICERS

Board of Directors and Executive Committee

During 1982, the Board of Directors held 13 meetings and the Executive Committee held 8 meetings.

During intervals between meetings of the Board, the Executive Committee, with certain exceptions, has all the powers vested in the Board. This Committee, which is composed of 7 Directors, has the following members: Charles F. Baird, chairman, Harold Bridges, Peter D. Curry, G. Arnold Hart, Donald J. Phillips, Lucien G. Rolland and Donald G. Willmot.

Audit Committee

The Audit Committee, established in 1941, is composed of 5 Directors, none of whom may be an employee of the Company. This Committee meets with the Company's financial management personnel, its internal auditors and its independent auditors at least 4 times a year to review and appraise the Company's financial reporting practices and procedures, the adequacy of its system of internal accounting control, the planned scope of examinations by both the internal auditors and the independent auditors and their findings and recommendations, and the non-auditing services performed by the independent auditors. It reviews the Company's financial statements, which appear in the Company's Annual Report, and monitors the results of reviews covering employee compliance with the Company's policies on business conduct, conflicts of interest and other internal control policies. It also recommends to the Board the independent auditors to be proposed to the Shareholders for appointment at the Annual Meeting. This Committee, which held 7 meetings in 1982, has the following members: Robert W. Bonner, chairman, G. Arnold Hart, Edward R. Kane, Stephen F. Keating and Walter F. Light.

Nominating Committee

The Nominating Committee, established in 1979, recommends to the Board nominees for election as Directors. This Committee, which held 2 meetings in 1982, has the same members as the Executive Committee.

Shareholders who wish to have a person considered by the Nominating Committee for nomination at the 1984 Annual Meeting should submit the request, including biographical data regarding such person, to the Secretary of the Company.

Management Resources and Compensation Committee

The Management Resources and Compensation Committee, established in 1969, is composed of 5 Directors, none of whom may be an employee of the Company. This Committee advises and consults with the Chairman and makes recommendations to the Board on the remuneration of senior executives of the Company. It makes recommendations to the Board with respect to incentive compensation plans, including the Company's corporate achievement plans, and administers and makes recommendations for awards under the 1979 Key Employees Incentive Plan of the Company. The Committee also reviews the management development programs, the succession plans relating to senior management and the performance goals of the major units of the Company as they relate to incentive plans of each unit. This Committee, which held 3 meetings in 1982, has the following members: G. Arnold Hart, chairman, Harold Bridges, Peter D. Curry, Lucien G. Rolland and Donald G. Willmot.

Pension Committee

The Pension Committee, established in 1974, is composed of 5 Directors, none of whom may be an employee of the Company. This Committee has the function of advising the Board regarding the financial aspects of the pension programs of the Company and its subsidiaries, including actuarial assumptions, the adequacy of funding and the implementation of sound investment of pension funds. In addition, this Committee recommends to the Board the appointment of trustees and investment advisors or managers.

This Committee, which held 5 meetings in 1982, has the following members: George T. Richardson, chairman, Reva Gerstein, Alexander D. Hamilton, Robert P. Luciano and Lord Nelson.

Remuneration of Directors and Officers

The remuneration paid or payable in respect of 1982 by the Company and its subsidiaries to Directors and Officers of the Company, while serving as such, was as follows:

NATURE OF 1982 REMUNERATION

	Directors' Fees	Salaries	1982 Incentive Compensation(1)	Security Reserve Plans, Personal Benefits, and Dividend Equiva- lents(2)	Interest Accrued on Deferred Cash Awards(3)	Total(4)
REMUNERATION OF DIRECTORS (15 persons ⁽⁵⁾) by INCO LIMITED	\$252,000	\$ —	\$ —	\$ —	\$ —	\$ 252,000
REMUNERATION OF OFFICERS (33 persons ⁽⁶⁾) by:						
INCO LIMITED	—	3,080,000	—	285,000	38,000	3,403,000
Subsidiaries of Company	—	49,000	—	3,000	—	52,000
TOTAL TO ALL DIRECTORS AND OFFICERS (48 persons)	<u>\$252,000</u>	<u>\$3,129,000</u>	<u>\$ —</u>	<u>\$288,000</u>	<u>\$38,000</u>	<u>\$3,707,000</u>
C. F. Baird, Chairman and Chief Executive Officer	\$ —	\$ 329,000 ⁽⁷⁾	\$ —	\$ 13,000	\$19,000	\$ 361,000
D. J. Phillips, President and Chief Operating Officer	—	225,000 ⁽⁷⁾	—	8,000	—	233,000
W. Curlook and I. McDougall, Executive Vice-Presidents, and J. H. Page, President of Inco Alloy Products Company, in the aggregate	—	510,000 ⁽⁷⁾	—	33,000	9,000	552,000

- (1) Under corporate achievement plans of the Company, cash awards may be made to Officers or other employees. No such plans were in effect for 1982.
- (2) Includes (a) employer contributions to the Company's security reserve plans in 1982 as described on page 14 and (b) dividend equivalents paid in 1982 to Officers in respect of share units awarded in prior years as described on page 13.
- (3) Consists of interest accrued in 1982 on awards of incentive compensation made to the respective recipients in respect of 1980 under the Company's corporate achievement plans in effect for such year. As permitted under such plans, such recipients elected to defer payments of such awards until after retirement.
- (4) Does not include employer contributions to the Company's non-contributory retirement systems. See "Retirement Systems" on pages 14 and 15.
- (5) Only Directors who are not Officers.
- (6) Includes Officers named in this table. Each of the Officers of the Company received remuneration in excess of \$40,000 (Cdn.) for the year 1982.
- (7) Reflects a voluntary 10% reduction in the base salary of such Officers as in effect at December 31, 1981 effective for calendar year 1982. Such reduction extends to the Company's security reserve plans by reducing such Officers' base pay for purposes of those plans but does not operate to reduce such Officers' pension or other employee benefits or to reduce such Officers' base salary for purposes of certain termination arrangements between the Company and such Officers (see pages 13 and 14).

Arrangements for Remuneration of Directors

Non-employee Directors of the Company are paid fees for serving on the Board of Directors and various Committees of the Board in accordance with standard remuneration arrangements of the Company. Effective July 1, 1982, the Directors elected to reduce certain of these fees by 10%. The annual fee received by each such Director was reduced from \$10,000 to \$9,000; the annual fee for serving on a Committee was reduced from \$2,000 to \$1,800; and the additional fee paid to the chairman of each Committee for serving in that capacity was reduced from \$1,000 to \$900. The attendance fee of \$500 which, except as noted below, is paid to each Director for each Board meeting and each Committee meeting attended, was not changed.

Members of the Management Resources and Compensation Committee do not receive an attendance fee for a meeting on the same day on which the Executive Committee meets. Members of the Nominating Committee do not receive any remuneration for serving on that Committee.

Directors who are employees of the Company do not receive Directors' fees.

Incentive Plans and Other Arrangements with Officers

The 1979 Key Employees Incentive Plan (the "1979 Plan") provides for the issuance of share options and other awards of supplementary compensation. The 1979 Plan, approved by the Shareholders in 1979, succeeded the Key Employees Incentive Plan (the "1968 Plan"), approved by the Shareholders in 1968. The 1968 Plan ended on July 16, 1978, except with respect to share options and awards of supplementary compensation then outstanding. Directors as such are not eligible to participate either in the 1968 Plan or in the 1979 Plan. On December 6, 1982, the 1979 Plan was amended by the Board of Directors to provide for the issuance of share options intended to qualify as "incentive stock options" under U.S. federal income tax legislation. Under such legislation, no tax is due either upon the grant or exercise of an "incentive stock option," and is only due upon the sale of shares received upon the exercise of such option. The legislation provides for capital gains treatment of any gains on such sales if certain holding period and other requirements are met.

On December 6, 1982, Officers of the Company as a group, while serving as such, were granted options and related share appreciation rights (SARs) under the 1979 Plan to purchase 138,000 Common Shares at an exercise price of \$9.13. Of these, options to purchase 47,850 Common Shares were intended to qualify as "incentive stock options". The exercise price was the mean between the high and low reported sales prices for the Company's Common Shares, reported as New York Stock Exchange—Composite Transactions, on the date of grant. These options expire on December 5, 1990. The range of the market prices of the Company's Common Shares during the 30 days prior to the date of grant, reported as New York Stock Exchange—Composite Transactions, was \$10.00 — \$8.63. Included in the grant were options for 30,000 shares granted to Mr. Baird, 20,000 shares granted to Mr. Phillips, and 36,000 shares granted to Messrs. Curlook, McDougall and Page, as a group. None of the options or related SARs granted on December 6, 1982 is exercisable prior to June 7, 1983.

The options granted on December 6, 1982 included related SARs. Under the terms of such an option, an optionee, in lieu of exercising an option to purchase Common Shares, may instead surrender unexercised all or a portion of the option then exercisable. Upon such surrender, such optionee will be entitled to an amount equal to the difference between the then market price per share and the exercise price per share specified in the option multiplied by the number of shares covered by the option, or portion thereof, being so surrendered. As determined from time to time by the Management Resources and Compensation Committee, this amount may be paid in the form of Common Shares (valued at the market price on the date of exercise), cash, or a combination thereof.

The number of Common Shares subject to all unexercised options held by Directors and Officers as a group as of December 31, 1982 was 334,650 shares, including 279,975 shares which were subject to related SARs. Of such 334,650 Common Shares, the following were subject to unexercised options held by the following individuals: Mr. Baird: 73,000 shares, of which 65,000 shares were subject to related SARs; Mr. Phillips: 44,000 shares, of which 42,000 shares were subject to related SARs; and Messrs. Curlook, McDougall and Page, as a group: 78,750 shares, of which 72,750 shares were subject to related SARs.

At December 31, 1982, the aggregate unrealized value (market value less exercise price) of unexercised options held by Directors and Officers as a group and having an exercise price less than \$11.75 a share (the market price on that date) was \$361,560. The number of shares subject to such options was 138,000 shares, all of which were subject to related SARs. Of the aggregate unrealized value of \$361,560, the following were the aggregate unrealized values of unexercised options held by the following individuals: Mr. Baird: \$78,600; Mr. Phillips: \$52,400; and Messrs. Curlook, McDougall and Page, as a group: \$94,320.

The number of share units previously awarded under the 1968 Plan to Directors and Officers and outstanding as of December 31, 1982 was 480 units. Such share units generally become payable over the period 1987 to 1999 (subject to forfeiture under certain circumstances). They are paid either in Common Shares or in cash equal to the then market value of such shares, at the election of the Company. Until payment or forfeiture of share units, each recipient is entitled to receive dividend equivalents equal to the amount per share of any cash dividends paid on the Common Shares multiplied by the number of units remaining credited to the recipient's account on the record date.

As a consequence of the restructuring of the Company's corporate organization in 1982, severance payments were made to former Officers in the aggregate amount of \$40,000 in 1982. It is estimated that additional severance payments (apart from pension benefits) approximating \$988,000 in the aggregate will be made to former Officers over a six year period, of which \$329,000 will be paid in 1983 and \$333,000 will be paid in 1984.

In order to encourage key employees to remain in the Company's service, each of Messrs. Baird, Phillips, Curlook, McDougall and Page and 3 other Officers will be entitled, in the event of discharge (except for cause) or resignation under circumstances making his resignation not wholly voluntary, to continue to receive his total compensation (including participation in

certain medical, insurance and similar plans) for a limited period not exceeding 36 months, to receive payment of any outstanding incentive compensation awards and to exercise any share options held at termination of employment. Such rights are in lieu of any rights he would have had at common law and are in addition to rights he may have under other benefit plans upon termination of employment.

Security Reserve Plans

The principal security reserve plans of the Company consist of two programs. Under the first program, participating employees may elect to contribute from 1% to 6% of base pay. The employer matches a given percentage of such contributions depending upon the age and years of service of the employee. Employer contributions for participating employees increase gradually from a matching level of 50% for employees under age 40 and who have less than 15 years of service to a matching level of 100% for employees aged 62 or over or who have 37 or more years of service. In addition, participating employees with 60 months or more of contributions to the program may contribute amounts over and above 6% of base pay, not in excess of an additional 5% of base pay. The employer does not make matching contributions with respect to such additional contributions.

The second program is limited to employees who became participants prior to July 1, 1973. Participants in this program may elect to contribute a given percentage of their base pay with the employer matching 100% of such contributions. The percentage of base pay which a participant may elect to contribute depends upon the participant's age and years of service and increases from 2% for employees under age 40 and who have less than 15 years of service to 4% for employees aged 62 or over or who have 37 or more years of service.

Directors as such are not eligible to participate in the plans. The plans' funds, which are invested by professional investment managers and held by independent trustees, become distributable as to vested amounts upon retirement, death or other termination of employment, or upon discontinuance of the particular plan. Subject to various conditions, a participating employee may also make withdrawals during employment.

Retirement Systems

The amount of pension benefits payable under the Company's retirement systems to any particular employee, including an Officer, is dependent, among other factors, upon such employee's years of credited service and average final base salary and upon whether such employee's pension is pursuant to an optional form of payment providing a pension during the employee's life and after the employee's death, either in approximately the same or a lesser amount, for the life of the employee's spouse if the employee's spouse should survive such employee. The estimated aggregate cost to the Company and its subsidiaries in 1982 of all pension benefits proposed to be paid under the Company's retirement systems to the Officers as a group upon retirement at age 65 was \$256,000.

The table below, which reflects deductions in respect of government benefits, illustrates the amount of the maximum annual pension for an employee retiring at age 65 in 1983 who has

not elected an optional form of payment. Most employees elect an optional form of payment providing a pension for a surviving spouse. Such an election substantially reduces the annual pension payable to the employee.

Average Annual Base Salary in Best Five of Last Ten Years of Credited Service	APPROXIMATE MAXIMUM ANNUAL PENSION — YEARS OF CREDITED SERVICE			
	20	30	40	50
\$ 50,000	\$ 12,800	\$ 19,200	\$ 26,400	\$ 33,900
100,000	27,800	41,700	56,400	71,400
150,000	42,800	64,200	86,400	108,900
200,000	57,800	86,700	116,400	146,400
250,000	72,800	109,200	146,400	183,900
300,000	87,800	131,700	176,400	221,400
350,000	102,800	154,200	206,400	258,900
400,000	117,800	176,700	236,400	296,400
450,000	132,800	199,200	266,400	333,900

At age 65 Messrs. Baird, Phillips, Curlook, McDougall and Page will have 19, 38, 40, 48 and 20 years of credited service, respectively. Taking into account the various factors affecting his pension entitlements and assuming his base salary continues at the rate in effect at the end of 1982, the actual pension payable at age 65 to Mr. Baird is estimated at \$126,500.

Certain Interests of Directors

As of December 31, 1982, the Company and its subsidiaries were indebted to banks of which Directors of the Company were directors, or to subsidiaries of such banks, as follows: Bank of Montreal \$80,000,000 — Messrs. Baird, Hart and Rolland; The Bank of Nova Scotia \$34,000,000 — Messrs. McDougall and Willmot; Morgan Guaranty Trust Company of New York \$71,000,000 — Mr. Kane; The Toronto-Dominion Bank \$25,000,000 — Mr. Phillips; and The Royal Bank of Canada \$11,000,000 — Mr. Light.

Directors and Officers Liability Insurance

The Directors and Officers of the Company as a group are insured against certain liabilities pursuant to directors and officers liability insurance policies maintained by the Company. The general effect of these policies is that, if during the policy period any claims are made against Directors or Officers of the Company for a wrongful act (as defined) while acting in their capacities as Directors or Officers, the insurers will pay for loss (as defined) which the Directors or Officers shall become obligated to pay in excess of \$5,000 per occurrence, up to a limit of \$30,000,000 in a policy year.

The premium for such insurance in 1982 was \$77,000. The entire premium was paid by the Company.

APPOINTMENT OF AUDITORS

Price Waterhouse has served as Auditors of the Company since the Company's incorporation in 1916.

The persons named in the accompanying form of proxy intend to vote the proxy in favour of the appointment of Price Waterhouse to the office of Auditors of the Company for the term expiring with the Annual Meeting in 1984 at a remuneration to be approved by the Board of Directors, unless the Shareholder signing such form of proxy specifies that such proxy be voted against such appointment or be withheld from voting thereon.

It is intended that Price Waterhouse will make an audit of the scope customarily made by it on behalf of the Company, as indicated in its report to Shareholders dated February 17, 1983 set forth on page 32 of the 1982 Annual Report of the Company.

Representatives of Price Waterhouse will attend the meeting and will have the opportunity to make a statement if they desire to do so and will respond to any appropriate questions.

SHAREHOLDER PROPOSAL

The Company has been advised that Dan McDermott and Andrew Wood, 427 Bloor Street West, Toronto, Ontario M5S 1X7, who state that they own in total 4 Common Shares of the Company, intend to submit the following proposal at the meeting, and have submitted the following statement in support of the proposal:

"Inco Limited Resolution on the Installation of Pollution Abatement Equipment

"Whereas the recent Ontario/Canada Task Force on Pollution Abatement Options for Inco Limited has concluded that there is, today, 'significant environmental damage occurring which results from the emissions of Sudbury's smelting and processing industries';

"Whereas the damage occurs principally from acidic precipitation generated by the release at the Inco Limited smelter complex of sulphur dioxide gas into the atmosphere;

"Whereas in afflicted areas acidic precipitation kills fish and other aquatic life in lakes and rivers; alters the composition of soils; stunts the growth of vegetation; causes deterioration of buildings and metal structures;

"Whereas acidic precipitation has a negative impact on the economies of afflicted areas, taxing in particular the fishing, forestry, agriculture and tourism industries;

"Whereas the Task Force Report identifies pollution abatement program options for Inco that are both technically feasible and cost effective, such that, based on these programs, emission levels could be reduced from the present governmentally imposed limit of 2268 tonnes per working day to a level of 43 tonnes per day.

"Therefore be it resolved that the shareholders request the Board of Directors to immediately schedule and implement a pollution abatement program with the purpose of reducing sulphur dioxide emissions at the complex to 43 tonnes per day."

Shareholder Supporting Statement:

“We propose that Inco Limited need not wait either for action by other corporations or for more governmental arm-twisting legislation before reducing its present levels of SO₂ and particulate emissions. The Task Force Report establishes that these reductions can be effected through modifications to the copper circuit; roast/reduction smelting of the nickel concentrate; regenerative weak gas treatment of the nickel converter off-gases and non-regenerative scrubbing of the IORP off-gases. These changes would reduce emissions to 43 tonnes per day.

“The report estimates the capital costs of these programs to be \$524 million or more. But the report did not take into account tax advantages for Inco that would cut the company's actual expenditures by more than half. The construction phase of these programs is expected to create in the short term 3,500 person years of direct and indirect employment in the Sudbury area. Future operating cost savings in both labour and energy will partially offset the initial capital outlay. Coupled with probable government loans and loan guarantees this major investment will be entirely feasible.

“This resolution requires the company to commit itself to a vigorous program of air pollution abatement.”

Your Board of Directors Recommends a Vote Against the Shareholder Proposal for the Following Reasons:

The Board of Directors believes that approval of the proposal would not be in the best interests of the Company or its Shareholders. The determination of the best methods to achieve further emission reductions at the Company's Sudbury smelter is a complex matter which requires continuing study and analysis. The Company has carried out extensive work on emission reductions and will continue its intensive efforts in this area. It would, however, be imprudent and premature at this time to adopt any program which attempts to prescribe steps leading to an ultimate level of emission abatement.

The Company has made substantial progress in reducing sulphur dioxide emissions from the Sudbury smelter and is in compliance with current regulations of the Ontario Government limiting sulphur dioxide emissions. Emission levels have been reduced by about two-thirds from the levels experienced in the peak years of the 1960's. When its Sudbury operations resume, the Company will implement new technology which cost Cdn. \$14 million (U.S. \$12 million) to reduce emissions still further in order to meet the latest applicable regulatory emission limit of 1,950 tons per day which became effective only this year. The Company continues to investigate ways to achieve further emission reductions. During 1982 the Company completed a commercial-scale test of a new Company-developed smelting process at its Thompson, Manitoba smelter. This test, which has cost Cdn. \$24 million (U.S. \$20 million), has demonstrated that the new smelting process holds promise for reducing sulphur dioxide emissions to about half of the current 1,950 tons per day regulatory limit. Concurrently, an engineering study costing to date Cdn. \$6 million (U.S. \$5 million) to evaluate the applicability of this process to the Sudbury operation is nearing

completion. Upon resumption of operations at Sudbury, the Company will conduct further investigations to determine the feasibility of utilizing, in part, existing facilities to reduce the substantial capital costs associated with the implementation of this process.

The proposal of the two shareholders refers to a program discussed in the December 1982 Report of the Ontario/Canada Task Force to reduce emissions to 43 tonnes per day at an estimated cost of Cdn. \$524 million (U.S. \$424 million) or more. The Company's own test work and studies indicate that the capital cost for this program would be very substantially more than Cdn. \$524 million. This Report also indicated that the capital cost estimates arrived at by the Task Force in relation to the studies made of numerous abatement options were understated by noting that such studies "produced cost estimates which are low in most cases". Further, the Task Force Report concluded that only one of the options examined, an option based on a capital cost estimate that the Company believes is significantly understated, could be "justified solely on economic grounds". That option is not the one referred to in the shareholder proposal but is one that involves the same new smelting process the Company has developed and tested at its Thompson smelter in 1982.

The implementation of any specific program to achieve substantial further reductions in sulphur dioxide emissions at the Company's Sudbury smelter will require significant capital expenditures which the Company is in no position to undertake at this time in view of its weakened financial condition. The Ontario/Canada Task Force acknowledged this fact by stating in its Report that "it may be several years before [Inco] is able to finance a major emission abatement program by internal cash flow, new equity issues, increased debt or by a combination of these methods."

Accordingly, the Board of Directors recommends that Shareholders vote AGAINST the proposal. The persons named in the accompanying form of proxy intend to vote against the proposal, unless the Shareholder signing such form of proxy specifies that such proxy be voted for the proposal or be withheld from voting thereon.

ANY OTHER MATTERS WHICH MAY COME BEFORE THE MEETING

The accompanying form of proxy will confer discretionary authority upon the persons named therein with respect to any amendments to the matters set forth in the Notice of Meeting and with respect to any other matters that may properly come before the meeting.

The Board of Directors is not aware that any matters are to be presented for action at the meeting other than those specifically referred to in the Notice of Meeting. However, if any other matters properly come before the meeting, it is the intention of the persons named in the accompanying form of proxy to vote on such matters in accordance with their judgment.

On any ballot that may be called for at the meeting, all shares in respect of which the persons named in the accompanying form of proxy have been appointed to act will be voted or withheld from voting in accordance with the specification of the Shareholder signing the proxy. If no such specification is made, then the shares will be voted as stated above.

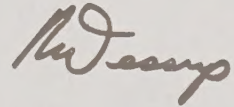
The Company will bear the cost of solicitation of proxies. Solicitation will be by mail, possibly supplemented by telephone or other personal contact by regular employees of the Company.

1984 ANNUAL MEETING OF SHAREHOLDERS

Shareholder proposals must be received by January 20, 1984 to be considered for inclusion in the Proxy Circular and Statement and form of proxy for the 1984 Annual Meeting of Shareholders, which is expected to be held on April 18, 1984.

February 17, 1983

The Board of Directors has approved in substance the contents of this Proxy Circular and Statement and also its mailing to Shareholders.



P. C. Jessup, Jr.
Vice-President, General Counsel & Secretary

AR37



**NOTICE OF
ANNUAL MEETING
OF SHAREHOLDERS**

APRIL 20, 1983

**PROXY CIRCULAR
AND STATEMENT**

INCO LIMITED

To be held at 11:00 a.m.
Wednesday, April 20, 1983
Ballroom, Convention Floor, Royal York Hotel
Toronto, Ontario